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TODAY: LEISURE

A Chilling Rescue Near Antarctica

Australian Ship Finds Yachtsmen Who Spent 5 Freezing Days Adrift

Compiled by Our Staff From Dispatches

SYDNEY — An Australian navy frigate was heading home Thursday with two round-the-world yachtsmen safely aboard after a double rescue in icy seas near Antarctica.

Thierry Dubois was plucked from a life raft by helicopter at dawn, and hours later a British solo sailor, Tony Bullimore, swam into the arms of rescuers from the frigate Adelaide after five days inside his upturned yacht.

"It was a horrific, traumatic experience, very difficult," said Mr. Bullimore, a 56-year old former Royal Marine. "It was a case of me continuously praying and hoping that there was something happening above the water. It was sheer determination, a little water, a little chocolate; hanging on in there and believing something would happen."

But as the four-day search for Mr. Bullimore and Mr. Dubois ended Thursday, another began.

New Zealand and French officials announced that another competitor, Gerry Roufs of Canada, was missing in high seas south of Easter Island in Chile's search and rescue region. Ships in the area have been told to watch for him.

The Australian rescue operation, 2,600 kilometers (1,600 miles) offshore, began after the two competitors in the Vendee Globe Challenge activated distress beacons as their boats were

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Bill Hann/The Associated Press

Tony Bullimore smiling after his rescue Thursday by an Australian Navy frigate in the Antarctic Ocean. Earlier Thursday, the ship rescued another solo sailor, Thierry Dubois.

GM and Volkswagen Settle Espionage Case

U.S. Auto Firm to Drop Lawsuits; VW to Buy $1 Billion in GM Parts

Compiled by Our Staff From Dispatches

DETROIT — Volkswagen AG and General Motors Corp. on Thursday settled a four-year dispute in which the U.S. automaker accused its German rival of industrial espionage.

GM agreed to drop its lawsuits against VW in exchange for the German automaker's pledge to buy $1 billion of GM parts over seven years, the companies said. In addition, VW would pay GM $100 million.

The agreement requires GM to withdraw its civil lawsuits in Germany and the United States against Volkswagen, its executives and VW's former purchasing chief, Jose Ignacio Lopez de Arriortua.

The suit stems from GM's claims that Mr. Lopez stole company secrets on future car models, pricing information and other data and took them to VW when the German company hired him in 1993.

Mr. Lopez faces criminal charges in Germany and is the subject of a criminal investigation by the U.S. Justice Department. Neither of those cases is affected by the settlement.

An exchange of letters among the chairman of Volkswagen, Ferdinand Piech; GM's chairman, John Smith, and some board members expressed regret for some statements made during the dispute.

"The agreement looks toward the resumption of normal business and competitive relationships between the companies," the companies said.

The dispute began when Mr. Lopez, who was head of European purchasing for GM and about to be promoted to head of GM's North American operations, moved to Volkswagen, Europe's biggest automaker.

Mr. Lopez was accused of stealing thousands of pages of documents and computer diskettes when he went to VW along with seven other GM executives.

Mr. Lopez, who resigned at the end of November as VW purchasing manager because of the affair, was charged by German prosecutors in December with stealing company secrets when he left GM. But the prosecutors concluded there was no evidence that VW executives were complicit in the matter.

Volkswagen had also been facing a lawsuit by GM in U.S. Federal court in Detroit claiming there was a criminal conspiracy to steal GM company secrets. That case, filed under an anti-racketeering law, could have resulted in VW having to pay three times the claimed damages, which GM has put at 500 million to 1 billion Deutsche marks ($318 million to $636 million).

GM shares rose 12.5 cents Thursday, to $59.25, on the New York Stock Exchange. Volkswagen shares closed in Frankfurt at 690.50 Deutsche marks, up 15 DM. *(Bloomberg, AP, AFP)*

Court May Balk at Legalizing Assisted Suicide

By Joan Biskupic
Washington Post Service

WASHINGTON — Taking on one of the most important constitutional questions of the decade, the Supreme Court has expressed grave concerns over the implications of declaring that dying patients have a right to a doctor's help in committing suicide.

During a solemn two-hour hearing Wednesday, the justices pursued not just legal questions, but also evolving societal attitudes, the role of modern medicine, their own personal experiences and moral considerations that thread through this emotional issue. In the end, it appeared a majority would not vote to enshrine a right to physician-assisted suicide.

Hundreds of demonstrators gathered on the white marble plaza outside the courthouse, many of them in wheelchairs and carrying signs that read "Not Dead Yet," the name of a rights group for the disabled that opposes doctor-assisted suicide. Inside, the justices took up a pair of cases that could ultimately alter the way the legal system recognizes the right to die in America.

Although the issue had been simmering for some time, it burst onto the national agenda when two appeals courts, one from each coast, upheld a right to doctor-assisted suicide. Officials from the two states involved in those rulings, New York and Washington, have brought the cases to the Supreme Court, hoping for a ruling that would overturn the lower courts and uphold a state's right to ban assisted suicide.

Outside the court building, activists wrangle over the complexities of the case. Page 2.

In a time of advancing medicine and an aging population, the issue has captured the public's attention in a way that few legal questions do, dividing the medical community, legal scholars and the terminally ill, who appear to have most at stake. Scores of people, some of whom had camped out in frigid temperatures in hopes of claiming one of the 50 seats available to the public, were turned away before arguments began.

"Most of us have parents or other loved ones and we've lived through a dying experience that forces us to think about these things," Justice Ruth Bader Ginsburg said at one point.

The Supreme Court first addressed the question of a right to die in 1990, when in the case of a Missouri woman thrust into a vegetative state by a car accident,

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Jobless Rate In Germany Hits a Peak

By Alan Friedman
International Herald Tribune

PARIS — Germany's unemployment rate spiked up to a postwar high of 10.8 percent in December, and the economy weakened substantially in the closing months of 1996, the government said Thursday.

The gloomy data underscored the challenge Bonn faces as it seeks to spur recovery and lead Europe to a single currency.

Reacting to the news, Chancellor Helmut Kohl immediately pledged to tackle the persisting jobs crisis and offered to be chairman of a conference aimed at battling unemployment.

But Germany's top trade union official — Dieter Schulte, head of the German Federation of Trade Unions — dismissed the idea of talks and charged that the government "lacked the courage" to admit that its policies were increasing unemployment.

The latest figure was a record indicating that 4.1 million Germans are out of work. The unemployment rate in November was 10.3 percent. Western Germany's jobless rate rose to 9.6 percent from 9.2 percent, while unemployment in Eastern Germany was 15.9 percent, up from 15.0 percent.

Economic growth in 1996, meanwhile, was 1.4 percent, slightly less than most economists had expected.

In the final three months of last year, the economy was estimated to have come to a virtual standstill, with gross domestic product almost unchanged after it grew by 0.8 percent in the third quarter.

Although the government was sticking to its official forecast of 2.5 percent growth in 1997, almost all private sector economists say the country will be lucky to achieve 2 percent growth this year.

Just as worrying as Bonn tries to pare its annual budget deficit to 3 percent to meet the key condition for European monetary union under the Maastricht treaty, the ratio jumped to 3.9 percent in 1996 from 3.5 percent the previous year.

Although many analysts continue to believe that Germany's renowned discipline plus a moderate economic recovery will allow Bonn to achieve the goals for monetary union in 1997, fresh doubts have been raised lately. These

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Tokyo Sell-Off Sets Off Jitters

Share prices in Japan dropped sharply Thursday for the third straight day, falling to their lowest level in more than a year and raising concern among some economists that the stock market's steep losses risked derailing the nation's fragile economic recovery.

Share prices plunged 3.3 percent, their biggest decline in 21 months, after losing 5 percent in the two previous days.

If they fall much further, some economists said, it could hobble the country's financial sector and prompt manufacturers to drop plans to invest heavily for the first time in five years in new factories and production lines.

The benchmark Nikkei 225 Stock Average finished Thursday down 606.51 points, at 18,073.87. (Page 13)

Dow Jones	Trib Index
Up 76.19	Down 0.02%
6625.67	149.37

The Dollar

New York	Thurs. close	previous close
DM	1.5765	1.575
Pound	1.6988	1.688
Yen	116.375	115.82
FF	5.3223	5.3205

Dirty Water Seals Fate Of Poor in The World

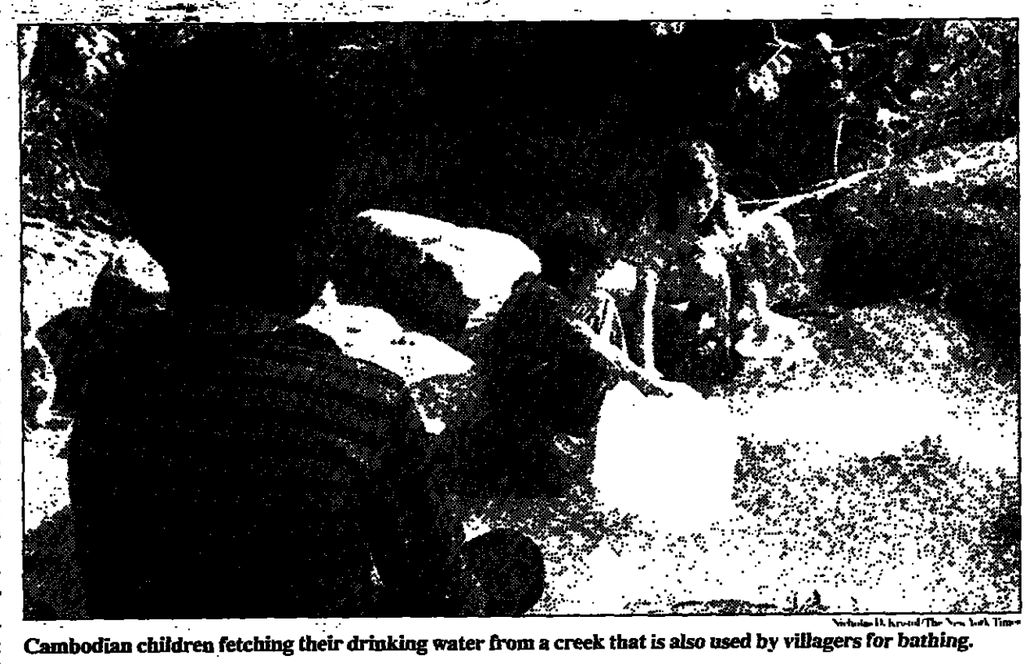
By Nicholas D. Kristof
New York Times Service

Second of two articles

THANE, India — Children like the Bhagwani boys scamper about barefoot on the narrow muddy paths that wind through the labyrinth of a slum here, squatting and relieving themselves as the need arises, as casual about the filth as the bedraggled rats that nose about in the raw sewage trickling beside the paths.

Parents, like Usha Bhagwani, a rail-thin 28-year-old housemaid, point out their children and fret about how to spend their rupees. Should they buy good food so that the children will get stronger? Or should they buy shoes so that the children will not get hookworms? Or should they send their sons and daughters to school? Or should they buy kerosene to boil the water?

There is not enough money for all of those needs, so parents must choose.



Nicholas D. Kristof/The New York Times

Cambodian children fetching their drinking water from a creek that is also used by villagers for bathing.

It was to save money, as well as to save time, that Mrs. Bhagwani was serving unboiled water the other day to her 5- and 7-year-old boys in her one-room hovel. Her bony face and sharp eyes softened as she watched them take the white plastic cup and gulp the deadly drink. The water has already killed two of her children, a 15-month-old, Santosh, a boy who died two years ago, and Sheetal, a frail 7-month-old girl who died just a few months ago. But everyone in the slum drinks the water, usually without boiling it, and water seems so natural and nurturing that Mrs. Bhagwani does not understand the menace it contains.

"I try to boil the water," she said pleasantly. "But the boys sometimes insist on drinking right away because they're thirsty."

Then, she said, there is the cost. To boil water consistently would cost the equivalent of about $4 a month in kerosene, almost a third of Mrs. Bhagwani's

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Now, Red Wine Touted as Cancer Foe

Inhibitor Substance in Grape Skins Could Be Made Synthetically

By Jane E. Brody
New York Times Service

NEW YORK — Grapes and red wine, already heralded for their potential to prevent heart disease, may also harbor a potent cancer inhibitor, according to findings to be published Friday in the journal Science.

Researchers at the University of Illinois have shown in preliminary laboratory and animal studies that the substance, resveratrol, prominent in the skin of grapes, may interfere with the development of cancer on several levels: by blocking the action of carcinogens, inhibiting the initiation and promotion of tumors and causing precancerous cells to revert to normal.

It is not yet known, however, whether eating grapes or drinking red wine would result in biologically useful levels of resveratrol in a person's blood. Researchers have not demonstrated that resveratrol, which is soluble in alcohol, not water, is absorbed by humans who consume it through foods or wine.

Resveratrol, a relatively simple chemical substance that could easily be made synthetically to produce a supplement, was found in previous laboratory studies to lower blood levels of cholesterol, block the formation of the kind of cholesterol that clogs arteries and reduce the tendency of the blood to form clots. But its usefulness as a protector of the human heart has not yet been established. Although the skin of grapes is at present the leading known food source of resveratrol, it is also found in peanuts and in lilies and in some traditional Oriental medicines made from roots.

The Illinois researchers originally isolated resveratrol from a crude extract of the roots of a Peruvian tree, one of thousands of plant extracts they are screening for cancer-fighting potential under a grant from the National Cancer Institute.

Dr. John Pezzuto, who oversees the research at the university's College of Pharmacy, said that resveratrol is a chemical defense agent that the plant produces in response to environmental stress, especially fungal infections.

According to cancer prevention specialists, the finding that resveratrol may inhibit cancer development suggests yet another reason why eating lots of fruits and vegetables is associated with a reduced risk of cancer. Dr. Peter Greenwald, director of the division of can-

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

AGENDA

2 Bombs Wound 13 Near Tel Aviv Hub

Two bombs exploded in an area near Tel Aviv's central bus station Thursday, wounding 13 people. The police said the bombs were placed in trash bins, and they blamed Arab guerrillas.

The blasts occurred as Dennis Ross, the U.S. special envoy, was making another effort to get Israel and the Palestinians together for a deal on the West Bank town of Hebron. Mr. Ross met with both the Israeli prime minister and Palestinian officials Thursday. Page 12.

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Washington Tells Ankara To Avoid Force in Cyprus

Compiled by Our Staff From Dispatches

ANKARA — The United States warned Turkey against the use of force Thursday after Ankara said that it was considering a military strike if Cyprus deployed Russian anti-aircraft missiles on the divided island.

"Ankara is seriously considering an operation against the missile launchers when the time comes if Turkey's warnings to the Greek Cypriot administration are not heeded," the Anatolian News Agency reported.

Ankara has accused the Cypriot government of trying to alter the balance of forces with a deal announced last weekend to buy Russian S-300 surface-to-air missiles that could neutralize Turkish air superiority on the island.

Defense Minister Turhan Tayan of Turkey was reported to have said Wednesday that Ankara would use all possible means to halt the missile deployment. It is unclear when the missiles will be delivered, but Washington said deployment was at least 16 months away.

Nicosia says the missiles are defensive. The S-300 air defense system has a range of 150 kilometers (90 miles) and can down aircraft and missiles in flight.

Turkey invaded Cyprus in 1974 in response to a Greek Cypriot coup inspired by the military government then ruling Athens. Around 30,000 troops occupy northern Cyprus, which declared itself a Turkish Cypriot state in 1983 but is recognized only by Ankara.

Western governments fear the missile dispute, coupled with recent killings in the United Nations-patrolled buffer zone dividing Cyprus, could reignite old conflicts between Greece and Turkey.

Athens is committed to the defense of the government in the Greek Cypriot-controlled south of the Mediterranean island and has said any Turkish military action on the island would lead to war between the two NATO allies.

"This is no time for the Turkish government to be making wild and dramatic statements which will not be supported by any sensible member of the inter-

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Outside the Supreme Court / **When Is It Time to Hasten Death?**

Activists Color the Gray Zones of Assisted Suicide

By Laura Blumenfeld
Washington Post Service

WASHINGTON — At 5 A.M., there is no ambiguity. The sky lies black and flat, clamped over the Supreme Court building like a coffin lid, no light leaking in.

"I think life is an important value — period," said Andrew Eiva, 48, hunkered down inside a hooded parka. He stood first in line, and firm in his belief: He is a Catholic, and his religion dictates that it is wrong to help someone die.

Mr. Eiva was shivering outside the building with a hundred other people, hoping for a ticket to watch arguments in one of the most significant Supreme Court cases since the Roe v. Wade abortion decision — whether terminally ill people have the constitutional right to doctor-assisted suicide.

"Will nature take its course, or will we turn doctors into angels of death?" said Bob Castagna, executive director of the Oregon Catholic Conference, grasping the ticket a court officer just handed him.

For these two men, it is a black-and-white issue. But tick through the line of people who have been waiting here all night — their eyes floating under blankets, their arms waggling, their feet stuttering out tap dances to keep warm — and a duskier picture emerges, one that mixes the complexity of the case with the doubts it inspires.

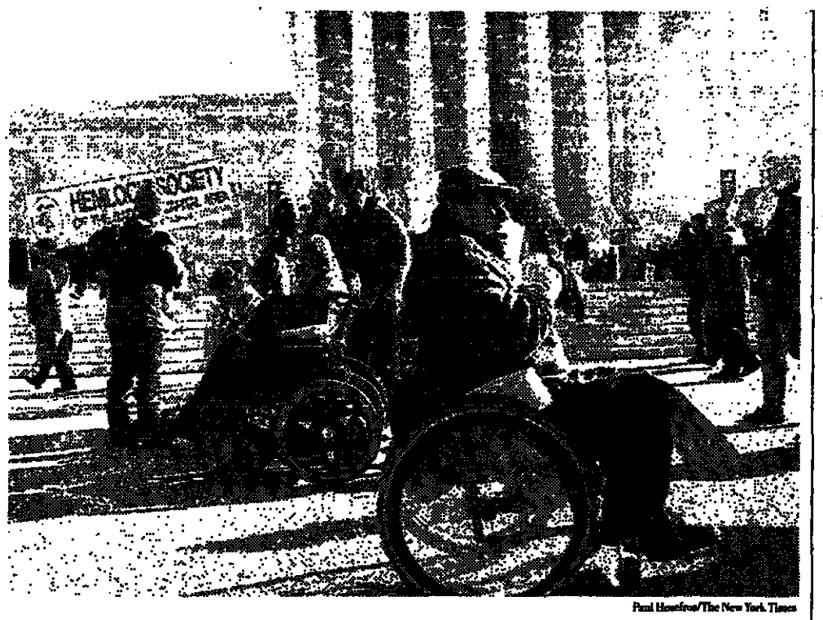
"I'm more pro than con," said Doris Kuehn, whose father, a right-to-die proponent, has lost a lung and seven ribs to tuberculosis. "But you can't pin it down. Does it have to be severe pain, or is it just a feeling that I want to die? I know there are gray areas."

For the people on the steps of the Supreme Court, the issue was all about the gray zones: the physical, religious, moral and legal uncertainties that surround a hastened death.

Justice Antonin Scalia said recently that he felt like someone being asked to deliver cosmic wisdom. "Why would you leave that to nine lawyers, for heaven's sake?" he asked.

Physicians are also grappling with the awful responsibility. Some doctors who treat the terminally ill admit to administering massive doses of painkillers until their patients eventually stop breathing. The options — withholding care, discontinuing care, administering a lethal dose of medication — fall along a continuum.

Outside the court, night was sliding into day. The Capitol dome, glowing like a half-moon minutes ago, was turning crater-gray. The sky was equal parts dark and light, and the people were puffing out white clouds as they argued over when the line between wrong and right is crossed.



Paul Hosefros/The New York Times

Demonstrators outside the Supreme Court included Paul Tassone, foreground, who said it is wrong to help someone die, and members of the Hemlock Society, rear, which wants bans on assisted suicide removed.

"Assisted suicide is self-mutilation," said Marc Spindelman.

"Disease is mutilation," countered Carol Poenisch. Her mother had Lou Gehrig's disease. "Have you ever seen a woman with cancer, where the bone gets eaten away, and her back collapses?" she asked. "Is that a life?"

Mr. Spindelman retorted, "Whether it's a life or not, I don't think the constitution supports suicide." An American flag snapped in the wind above his head. He asked Ms. Poenisch why she flew here all the way from Michigan.

"My mother was Number 19," she said. Her mother was Merian Frederick, Jack Kevorkian's 19th assisted suicide, killed in October 1993 by sucking on a plastic tube that fed her carbon monoxide. Before Mrs. Frederick died, she had lost the ability to speak. She wrote in a note to her three children:

"I have 2 criteria for meaningful existence.

"1) a posture that allows me to write without undue fatigue.

"2) finger & forearm strength that allow typing & writing."

Then the 72-year-old mother outlined what she could not endure:

"When I can't go to the john without help

"play my tape books

"watch tv."

Ms. Poenisch said she was horrified and angry when she first heard that her mother wanted to kill herself. But later, as she watched her suffer, she changed her mind.

"It's prolonging death, instead of prolonging life," said Dan Driscoll, who said his grandmother has Alzheimer's disease. "Should the time come, we may not give life support."

To Eleanor Smith, an activist for the disabled, such declarations are frightening. " 'Normal' people who want to commit suicide are treated like they're nuts," she said. "But if someone is deaf, blind or in a wheelchair, a doctor says, 'O.K! Good idea!' " Ms. Smith contracted polio when she was 3 and uses a wheelchair. "When you're not sweet and sexy anymore, you get assisted out of this world."

As Ms. Smith spoke, Laurence Tribe hurried by, clutching his briefcase, smiling. The Harvard law professor was representing the group of New York doctors who want to help mentally competent terminally ill patients die. He looks like a nice man, Ms. Smith said, but she finds him scary. "It's creepier than seeing a man with a gun. It's like someone who's killing you softly, whispering, 'This is for your own good.' "

MS. SMITH is a member of Not Dead Yet, a rights group for the disabled that has turned out to wave pink banners beneath the court's fluted columns. "Hitler Would Be Proud," a sign said; another: "Your Mercy Is Killing Us." One of the group's mottoes is: "If death is the only choice available — what kind of choice is that?"

The word "choice" kept surfacing as two men from opposing protest groups talked at a spot midway between their demonstration sites.

"There's no point when I'm half dead making me stay alive," said Roy Torcaso, a white-bearded, withered man from the Hemlock Society, a right-to-die group. "The government has no right to tell me I have to live and suffer."

Richard St. Denis, an activist with Not Dead Yet who uses a wheelchair, said, "People should make their own choices when they live or die."

"Exactly," Mr. Torcaso said.

"Exactly," said Mr. St. Denis, and they looked at each other funnily.

Nearby, a chorus sang: "We are strong and gentle people, and we are singing for our lives." It was impossible to tell by the lyrics which side of the case they were supporting.

It was 10 A.M., and the oral arguments were beginning inside the court. Sunlight bubbled up from the marble plaza; there was brightness, but no clarity.

Kohl Attacks Ad Backing Scientologists As 'Rubbish'

Reuters

BONN — Chancellor Helmut Kohl on Thursday dismissed as "rubbish" an open letter from a group of American celebrities who accuse Germany of persecuting Scientologists in the way Jews were under Hitler.

Mr. Kohl said he had no intention of replying to the letter, which was printed as a full-page advertisement in the Paris-based International Herald Tribune. He said it was signed by people who were only displaying their ignorance of Germany.

Signed by the actors Dustin Hoffman and Goldie Hawn, the director Oliver Stone, the novelists Mario Puzo and Gore Vidal, along with 21 other entertainment figures, the letter urged Mr. Kohl to put "an end to this shameful pattern of organized persecution," which it compared to Nazi Germany's treatment of the Jews in the 1930s.

"They don't know anything about Germany and they don't want to, either," Mr. Kohl said a news conference in Bonn. "Otherwise, they wouldn't have talked such rubbish."

Mr. Kohl said he had not seen the letter, addressed to "Dear Chancellor Kohl."

Asked if he planned to respond, he said:

"No, I do not have any intention whatsoever of reacting. I haven't read the names of those who signed this thing. I only heard about it."

The letter writers said they were not members of the Church of Scientology but were deeply concerned that Germany and Mr. Kohl's Christian Democratic Union in particular were harassing Scientologists because of their religious beliefs.

The letter likened the Nazi book burnings of the 1930s to the boycott last summer called by the Christian Democrats' youth wing against the 1996 film "Mission Impossible" because its star, Tom Cruise, is a well-known Scientologist.

The letter also cited boycotts in Germany aimed at two other Scientologists, the actor John Travolta and the musician Chick Corea, because of their religious beliefs.

"In the Germany of the 1930s, Hitler made religious intolerance official government policy," the letter stated. "Jews were first marginalized, then excluded from many activities, then vilified and ultimately subjected to unspeakable horrors."

It added: "In the 1930s, it was the Jews. Today it is the Scientologists."

A spokesman for the International Herald Tribune in Paris said the advertisement was placed by the people who signed it.

He said it was sent to the newspaper from Los Angeles. He said a full-page ad typically costs $62,000.

Heber Jentzsch, president of the Church of Scientology International, said in a statement released in London that he hoped "Chancellor Kohl heeds their admonition to restore democratic principles in his country."

The German federal and state governments agreed to a series of steps last month to counter what they called the Scientologists' "expansionist aims and claim to domination."

The authorities also agreed to consider putting Scientology under surveillance by the anti-extremist Office for the Protection of the Constitution.

"These acts are intolerable in any country that conceives of itself as a modern democracy," the letter said. "This organized oppression is beginning to sound familiar." It said the measures were "like the Germany of 1936 rather than 1996."

The letter said the policy should be stopped, "now, before it spreads and increases in virulence as it did before."

Bonn has published a booklet warning of what it says are the dangers of the organization and Bavaria is making state employees fill out questionnaires about ties to the group. The group says it has 30,000 members in Germany, but the government puts the figure at between 10,000 and 20,000.

Abortion Not Linked to Breast Cancer, Study Says

By Rick Weiss
Washington Post Service

WASHINGTON — Women who get an abortion during the first 18 weeks of pregnancy do not have an increased risk of getting breast cancer later in life, according to the largest study ever to look at the politically charged question.

Several scientists said the new finding, published in Thursday's issue of The New England Journal of Medicine, should largely settle a scientific and emotional debate that has raged for years over suggestions that an abortion can lead to breast cancer.

"Women can be very assured that the overall risk is not increased," said Mads Melbye, an epidemiologist with the Statens Serum Institut in Copenhagen, who led the study with a colleague, Jan Wohlfahrt.

But Dr. Melbye and others said that the study leaves unanswered a lingering question of whether a late-term abortion may increase a woman's odds of getting breast cancer. The study found that women who got abortions after 18 weeks of gestation were almost twice as likely to eventually get breast cancer as were women who had no abortion or an early abortion.

Very few women in the study had late abortions, however, raising the possibility that the apparent connection was the result of chance alone, researchers said.

In the United States, the vast majority of abortions are performed before 18 weeks.

Breast cells grow and divide during pregnancy, and some biologists have theorized that in the absence of hormonal changes that come before delivery, those cells may be left especially prone to becoming cancerous. More than 40 studies have looked for a link between abortion and breast cancer, with inconsistent results.

For the most part, studies that have suggested a positive link have been those with the poorest research design. But anti-abortion activists have used them to fuel their cause.

The latest study, involving 1.5 million Danish women born between 1935 and 1978 whose medical histories were tracked in government registries, found that those who got abortions up to 18 weeks into their pregnancy were no more likely to get breast cancer than those who never had an abortion. That was true regardless of whether the women ever had children — a factor that tends to lower the risk of breast cancer.

Because the work was based on medical records that doctors are required by law to maintain, the Danish study bypassed the shortcoming of many U.S. studies on the subject. Those studies generally asked women with breast cancer to recall whether they had ever had an abortion, then compared their history to that of women without breast cancer.

Studies have shown that women diagnosed with cancer are more likely to be honest about whether they have had an abortion, in the hope that they may best be helped by providing all the information they can. That study design favors an apparent but not necessarily true association between breast cancer and abortions.

The new study is "very persuasive" because it is so large and because it overcomes "the suspected bias in other studies, which was the self-reporting," said Lynn Rosenberg, a professor of epidemiology at the Boston University School of Public Health.

A Diagnostic Coup In 'Mad Cow' Cases

Reuters

LONDON — British scientists who are worried about a new variant of the human version of "mad cow" disease said in a report to be published Friday that they had identified a simple technique that they expected would allow early diagnosis.

The discovery could help prevent panic if Britons faced an epidemic as a result of eating beef from cows that have bovine spongiform encephalopathy, they wrote in the British medical journal The Lancet.

Fourteen cases of the new variant of Creutzfeld-Jakob disease have been confirmed in Britain, where "mad cow" disease has been prevalent in cattle. One has been confirmed in France.

But the scientists from the Imperial College School of Medicine, in London, said an epidemic was possible if theories that Creutzfeld-Jakob disease was linked to eating contaminated beef years earlier were confirmed.

In the past, confirmation that a patient has the disease has been possible only through a dangerous brain biopsy before death or a post-mortem examination.

The scientists reported they had discovered that a prion protein found in the brains of people with the disease was also present in the tonsil tissue of a 35-year-old woman who had died from yhe disease.

This suggested it was possible to check for the disease through a simple and safe procedure under local anesthetic, which would be viable even for people who have had their tonsils out.

But John Collinge, head of the Imperial College team, said further research was needed to assess how useful the new technique would be.

"We now need to extend this initial study and see how early in the disease this marker may be useful," he said.

Sandor Vegh, Mozart Specialist, Dies at 84

The Associated Press

SALZBURG — Sandor Vegh, 84, the renowned Hungarian-born violinist, conductor and interpreter of Mozart, died Tuesday after a long illness, his orchestra announced.

A professor at the Salzburg Mozarteum since 1978 and a founder of the chamber music festival in Cervo, Italy, Mr. Vegh made numerous recordings, conducted some of the world's foremost orchestras, and was the leader of a string quartet and a chamber orchestra that bore his name.

His death is an "irreplaceable loss," said the Camerata Academica in Salzburg, reporting the death of the musician who had directed it since 1978.

Mr. Vegh was born May 17, 1912, in a Transylvanian town that under Hungarian rule was called Kolozsvar, now Cluj in Romania. He took violin lessons as a child, then began his studies at the Budapest Academy of Music in 1924, where his professors included Leo Weiner and Zoltan Kodaly.

After performing solo concerts throughout Europe for three years, Mr. Vegh founded the Hungarian String Quartet in 1934. They performed the premiere of Bela Bartok's Fifth String Quartet in Barcelona, at the International Festival of Modern Music in 1936.

In 1940, he founded the Vegh Quartet and was its first violinist for 40 years of its existence. In 1941, he was appointed professor of the Hungarian Academy of Music. Between 1946 and 1953, Mr. Vegh lived in France, becoming a French citizen. There he met the cellist Pablo Casals, at whose festivals in Prades he was a regular performer. For 10 years, the two taught a generation of musicians at summer courses in Zermatt, Switzerland. In 1963 he founded the Festivale di Musica di Camera, in Cervo.

Mr. Vegh's major recordings included the complete Beethoven, Mozart and Bartok quartets, as well as Beethoven trios and a Schubert quintet with Mr. Casals. In 1990, he completed recordings of all Mozart piano concertos with the pianist Andras Schiff and the Camerata Academica, and in 1991 recorded all Mozart's cassations, divertimenti and serenades.

Edward Butler, 70, AP Editor

NEW YORK (AP) — Edward Butler, former deputy foreign editor of The Associated Press, has died of bone cancer at age 70.

Mr. Butler, who died Sunday at New York University Medical Center, retired in 1992 after two decades as assistant and then deputy foreign editor of the news service, positions in which he oversaw production of feature articles from AP bureaus worldwide.

General Denies Cover-Up On Gulf Chemical Weapons

Compiled by Our Staff From Dispatches

WASHINGTON — Norman Schwarzkopf, the retired U.S. general who commanded allied troops in the Gulf War, invited Senate investigators Thursday to examine his private logs for clues about releases of chemical weapons during the conflict.

Calling suggestions of a cover-up "ridiculous," he said he had no evidence of chemical weapons exposure during or after the conflict.

The Pentagon and other agencies are investigating whether exposure to chemical weapons may lie behind the mystery illnesses afflicting thousands of Gulf War veterans.

"There is nothing in those logs at all about chemical contamination of my troops," General Schwarzkopf said. He added that he told a Senate committee staff member Thursday, "If you don't believe me, I welcome a member or members of their staff to come down to my office" in Tampa, Florida, and "they could look through those logs to their heart's content."

The existence of the logs was disclosed at a Senate hearing by Jay Rockefeller, a West Virginia Democrat who has championed the cause of Gulf War veterans with unexplained illnesses.

The CIA's two top officials told Mr. Rockefeller they were unaware of the logs' existence. *(AP, AFP)*

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Transportation Strike Set in France

PARIS (Reuters) — Six trade unions said Thursday that public transportation workers would strike nationwide for 24 hours on Jan. 24 to press demands for retirement at 55 years of age and a cut in working hours, to 35 or 32 weekly.

The unions, including the country's three biggest — the CFDT, CGT and Force Ouvriere — said in a statement that the decision was made at a joint meeting Tuesday.

Strikes to press similar demands hit the public transportation sector in several French cities in November and December.

Saudis to Allow Palestinian Flight

CAIRO (Reuters) — Saudi Arabia has given Palestinian Airlines permission to make its inaugural flight Friday morning, the chairman of the airline said Thursday.

One of the airline's Fokker 50 aircraft will take off from Port Said with 48 Gazans bound for Jiddah in Saudi Arabia for the *umra*, or minor pilgrimage.

The Palestinian Authority has built its own airport in the Gaza Strip, but Israel will not let Palestinians use it for regular flights. It has received only two flights — one carrying President Yasser Arafat, the other a Moroccan plane bringing aid for the Palestinians.

Winter struck the United States with a vengeance Thursday as a series of storms spinning over the Eastern seaboard contributed to at least 11 deaths in four states and spread snow and icy rain from the Great Plains to the Atlantic. Roads were shut down in the Dakotas; blowing snow turned back school buses in Minnesota, and snow in Chicago made the morning rush hour even more impossible.

TRAVEL UPDATE

Europe

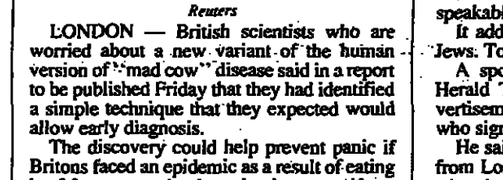
	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	18/64	12/53 c	20/68	13/55 pc
Amsterdam	-7/20	-10/15 pc	-6/20	-6/22 c
Ankara	4/39	-2/29 c	4/39	-2/29 sh
Athens	12/53	7/44 sh	14/57	8/46 s
Barcelona	9/48	3/37 s	14/57	8/46 pc
Belgrade	6/43	4/39 sh	4/39	-1/31 r
Berlin	-3/27	-6/22 c	-2/28	-5/22 pc
Brussels	-4/25	-9/16 pc	1/34	-1/31 pc
Budapest	1/34	-3/27 sn	1/34	-3/27 c
Copenhagen	-1/31	-4/25 s	-1/31	-3/26 pc
Costa Del Sol	17/62	13/55 c	21/70	12/53 pc
Dublin	6/43	6/43 sh	14/57	12/53 r
Edinburgh	3/37	-1/31 c	6/43	5/41 r
Florence	8/46	3/37 c	7/44	1/34 c
Frankfurt	-8/29	-8/22 pc	-8/29	-7/20 pc
Geneva	2/35	-5/24 c	3/37	-1/31 pc
Helsinki	-4/25	-9/16 pc	-9/16	-1/47 pc
Istanbul	10/50	7/44 pc	13/55	10/50 sh
Las Palmas	22/71	17/62 s	23/73	17/62 s
Lisbon	16/61	12/53 c	17/62	13/55 pc
London	2/35	-1/31 c	7/44	1/34 r
Madrid	11/52	2/35 s	13/55	6/43 pc
Mallorca	8/46	4/39 s	12/53	8/46 pc
Milan	4/39	-4/25 c	4/39	-4/25 pc
Moscow	-11/13	-18/0 pc	-7/20	-13/9 pc
Munich	-2/29	-8/22 sn	0/32	-7/20 c
Nice	12/53	3/37 pc	13/55	6/43 s
Oslo	-4/25	+0/15 pc	-8/18	+2/11 c
Paris	1/34	-3/27 c	4/39	0/32 c
Prague	-3/27	-8/18 c	-4/25	-8/18 pc
Reykjavik	1/34	-1/31 c	2/35	-1/31 sh
Rome	12/53	4/39 sh	11/52	6/43 sh
St. Petersburg	-6/22	+1/39 c	-8/18	+1/36 pc
Stockholm	-3/27	-7/20 pc	-3/27	-7/20 pc
Strasbourg	1/34	-5/24 c	1/34	-3/26 pc
Tallinn	-6/22	-14/7 pc	-8/18	-14/7 pc
Venice	5/41	0/32 sh	4/39	-2/29 c
Vienna	-1/31	-3/27 sf	-1/31	-5/24 c
Warsaw	-9/22	-9/16 c	-4/25	-7/20 pc
Zurich	-1/31	-4/25 sf	1/34	-3/27 c

Middle East

Abu Dhabi	23/73	13/55 s	23/73	13/63 s
Beirut	17/62	11/52 pc	19/66	13/55 pc
Cairo	19/66	10/50 s	23/73	13/55 s
Damascus	13/55	4/39 s	16/61	7/44 s
Jerusalem	12/53	4/39 pc	16/61	7/44 s
Luxor	28/82	7/44 s	29/84	9/48 s
Riyadh	23/73	10/50 s	23/73	9/48 pc

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.



North America
A strong winter storm will exit New England Saturday; otherwise, bitterly cold air will put the deep freeze on the Rockies and to the East; only the deep Southeast and Florida will be close to normal. Much of the West will enjoy dry and mild weather to clean up from their recent battering.

Europe
A noticeable and welcome warm-up will occur across western Europe this weekend and into next week. The milder weather will likely reach London and Madrid Saturday with a bit slower warm-up in Paris. Eastern Europe will stay cold, while Italy and southeastern Europe will be cool and wet.

Asia
Beijing and northeast China will moderate to near normal this weekend before another arctic blast arrives Monday. Seoul and Tokyo will be chilly to cold into next week, although Seoul may see some moderation by Monday. Mainly dry and cool in Hong Kong; seasonable across Southeast Asia.

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	0/32	-4/25 sn	-1/31	-4/25 c
Atlanta	7/44	-5/24 pc	2/35	-5/24 c
Boston	7/44	-3/27 sn	1/34	-6/22 c
Chicago	-3/27	-12/11 sn	-11/13	-16/0 c
Dallas	4/39	-7/20 s	-1/31	-8/18 sn
Denver	-1/31	-12/11 s	-12/11	-19/-2 sn
Detroit	-1/31	-8/18 sf	-8/18	-18/4 c
Honolulu	27/80	18/64 s	27/80	19/66 pc
Houston	13/55	0/32 s	8/46	-1/31 r
Los Angeles	21/70	5/41 s	20/68	7/44 s
Miami	22/71	12/53 t	21/70	14/57 s
Minneapolis	-12/11	-18/0 sf	-14/7	-19/0 sn
Montreal	-1/31	-8/18 sn	-5/24	-11/12 pc
Nassau	27/80	20/68 r	24/75	18/61 pc
New York	6/43	-1/31 r	2/35	-4/25 pc
Orlando	18/68	8/43 pc	16/61	7/44 s
Phoenix	19/66	8/43 s	18/64	-1/31 sh
San Fran.	13/55	7/44 pc	14/57	8/46 s
Seattle	10/50	5/41 sh	8/46	4/39 pc
Toronto	-1/31	-7/20 sn	-7/20	-15/5 pc
Vancouver	8/46	1/34 pc	4/39	3/37 pc
Washington	6/43	-2/29 sh	3/37	-3/27 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, w-weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Bali	32/89	23/71 t	32/89	23/71 t
Bangkok	31/88	21/70 pc	27/80	17/62 pc
Beijing	-1/31	-7/20 pc	3/37	-4/25 s
Bombay	27/80	18/61 s	27/80	18/61 pc
Calcutta	25/77	11/52 s	24/75	12/53 s
Chiang Mai	29/82	14/57 pc	32/89	18/61 pc
Colombo	29/84	23/71 pc	29/82	23/71 pc
Hanoi	19/66	13/55 s	18/64	12/53 s
Ho Chi Minh	32/89	19/66 pc	31/88	21/70 pc
Hong Kong	19/66	11/52 s	19/61	11/52 s
Islamabad	22/71	3/37 pc	20/68	3/37 s
Jakarta	29/84	24/75 t	32/89	24/75 r
Karachi	24/75	9/48 s	25/77	9/48 s
K. Lumpur	31/88	21/70 pc	31/88	23/73 pc
K. Kinabalu	30/86	22/71 pc	29/84	23/73 pc
Manila	29/84	21/70 c	29/82	19/66 pc
New Delhi	22/71	3/37 pc	22/71	3/37 s
Phnom Penh	29/84	19/66 pc	29/82	21/70 pc
Phuket	31/88	21/70 pc	27/80	17/62 pc
Rangoon	32/89	19/66 pc	29/79	17/62 pc
Seoul	3/37	-6/22 pc	3/37	-4/25 pc
Shanghai	6/43	-3/27 s	6/43	-3/27 s
Singapore	30/86	23/73 pc	30/86	24/75 pc
Taipei	14/57	10/50 pc	18/61	10/50 pc
Tokyo	10/50	2/35 pc	7/44	1/34 pc
Yantiens	18/64	13/55 s	17/62	13/55 t

Africa

Algiers	13/55	5/41 sh	16/61	8/43 pc
Cape Town	18/64	10/50 pc	23/73	13/53 s
Casablanca	19/64	11/52 pc	22/71	13/55 s
Harare	29/82	11/52 s	28/82	9/48 s
Lagos	30/86	22/71 pc	29/84	22/71 t
Nairobi	29/84	13/55 pc	29/84	13/55 s
Tunis	13/55	6/43 sh	13/55	6/43 sh

Latin America

Buenos Aires	32/89	25/77 pc	31/88	21/70 pc
Caracas	29/82	22/71 pc	29/84	22/71 pc
Lima	27/80	23/71 t	27/80	20/68 c
Mexico City	29/84	2/35 pc	23/73	4/39 pc
Rio de Janeiro	31/88	24/75 t	27/80	22/71 pc
Santiago	32/89	8/46 s	29/84	12/53 s

Oceania

Auckland	19/66	16/64 r	25/77	16/61 pc
Sydney	24/75	16/61 pc	18/64	12/53 c

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THE AMERICAS

A Last Word From the Last Liberal

By David E. Sanger
New York Times Service

WASHINGTON — One of the lonely liberals of the Clinton administration, Labor Secretary Robert Reich, leaves Washington this week declaring that the government must lead a campaign to narrow a growing gap between rich and poor and to fight the policies of corporate America.

In a draft of a speech delivered Thursday, a day before he leaves the Labor Department, Mr. Reich said he "can't resist a last word." He maintained that the administration's "unfinished agenda is to address widening inequality."

Mr. Reich insisted that his focus on an issue that others in the administration generally avoid discussing was not intended as criticism of his colleagues or of President Clinton, a longtime friend who, he said, "harbors the same convictions as the young man I came to know in our student days."

But it may well be interpreted as thinly veiled criticism of the administration's drift to the center, because Mr. Reich questioned whether the United States was abandoning "the implicit social contract" it has maintained with workers for a half-century. Once again he baited corporate America for its treatment of workers in the pursuit of profits, a tack that other cabinet members, especially Treasury Secretary Robert Rubin, have persuaded Mr. Clinton not to take.

Mr. Reich specifically complained of a growing "benefits gap" in which "top executives and their families receive ever more generous health benefits, and their pension benefits are soaring in the form of compensation deferred until retirement." Meanwhile, he cited statistics showing that only 14 percent of workers earning $10,000 to $20,000 are covered by the most common types of retirement savings plans, known as 401(k) programs, and only 34 percent are covered by a pension plan.

In a phone conversation, Mr. Reich, who is resigning to spend more time with his two teenage boys in Boston, said that his speech was "not a parting shot but a parting benediction."

Yet, he also seemed acutely aware that his departure leaves only Donna Shalala, the secretary of health and human services, as an outspoken liberal voice in the cabinet. But Ms. Shalala is not as pithy a speaker as the ever-quotable Mr. Reich.

"Bob acted as the liberal conscience," an administration colleague said, "and in the new cabinet, you won't find one of those."

That may be by design. To the consternation of Mr. Clinton's political advisers, Mr. Reich often called for far more government efforts to intervene in the economy on behalf of ordinary workers than others in the administration, particularly Mr. Rubin, were willing to endorse.

When Mr. Reich called for an alternative tax system that would favor corporations that extended greater benefits to workers, officials called reporters to declare that he was not speaking for the administration.

Whenever conflict with Mr. Clinton's aides reached a fevered point, Mr. Reich would call his friend of 30 years to ask whether he should tone down his comments. The president, by all accounts, would tell Mr. Reich to go ahead with his views.

On Wednesday night, at a farewell tribute to Mr. Reich, Mr. Rubin joked about their occasional policy clashes but insisted that their many areas of agreement were often ignored by the press. He said that Mr. Reich's influence over administration policy would continue even after he left Washington and that if he disagreed with the administration, "he will certainly call and let us know."

At the core of Mr. Reich's speech, which was given to a nonprofit group that deals with economic and labor issues, was an attack on the argument that a growing economy will lift all boats — and that all American workers will prosper.

"Some deny that inequality is rising," he said, clearly addressing his critics but never naming names.

"Simply said, they are wrong. They view widening inequality as a byproduct of structural changes in our economy — most notably technological advances and global economic integration, both of which tend to reward the best-educated and penalize those with the poorest education and skills," he said.

Party Time in D.C., but Who's Paying?

By Dan Morgan
Washington Post Service

WASHINGTON — During the costly congressional campaigns last year, corporate donors helped produce many a winner.

Last Monday, they put on their party duds and joined the victory celebrations all over Washington.

At the Monocle restaurant on Capitol Hill, the U.S. Telephone Association, representing the $100 billion-a-year local phone industry, sponsored an afternoon shindig with wine, beer and finger foods for Sam Brownback, the newly inducted Republican senator from Kansas.

It was a chance to introduce dozens of phone lobbyists and fund-raisers to the 40-year-old lawmaker, whose seat on the Commerce Committee will position him to oversee the 1996 legislation that ends the long-standing monopoly of the association's members over local service.

Across town at the Mayflower Hotel, a $25,000 victory bash worthy of one of the costliest campaigns of 1996 was underway in honor of Senator Robert Torricelli, Democrat of New Jersey, courtesy of five companies based in his state. As the new senator greeted an overflow crowd of well-wishers at the entrance to the Main Ballroom, a four-piece band entertained hundreds of visitors inside as wine and beer flowed from free bars.

So it went all day in hotels and restaurants, as well as in the U.S. Capitol and nearby congressional offices. The Chicago Mercantile Exchange and the Chicago Board of Trade put on a luncheon buffet for the family and supporters of Senator Richard Durbin, Democrat of Illinois, in the Dirksen Building. The Southern Co., the Nuclear Energy Institute and the Washington consulting firm of former Senator James McClure, Republican of Idaho, sponsored a victory celebration for a second-term Republican, Senator Larry Craig of Idaho, one floor below the Senate chamber.

There was no mystery about the nuclear power industry's liking for Mr. Craig. He is the author of a bill to create a single temporary storage site for nuclear wastes that have been building up for decades at utility-company sites around the nation.

All of these receptions took place as a new Congress opened Tuesday with promises to address the issue of money in politics. Unlike campaign contributions, public disclosure is not required for these kinds of events.

Officials said that all the corporate-sponsored events had been cleared by the Senate or House ethics committees. But some members preferred to celebrate with their own money, or use leftover campaign funds. Senator Ted Stevens, Republican of Alaska, dipped into campaign reserves to cover the costs of a reception in the ornate office of the Senate Appropriations Committee, which he is taking over as chairman. But some who crossed the electoral finish line did not have that luxury.

Holloway Torricelli, a professional fund-raiser who helped organize the Mayflower event for her former husband, the new senator from New Jersey, said: "We didn't have the money to pay for it out of campaign funds."

Senators and their staffs defended their acceptance of receptions in their honor paid for by corporate sponsors with an interest in legislation that could affect them.

"It's just a reception," said a spokesman for Mr. Brownback of the event in his honor sponsored by local phone companies. "He'll drop by and say 'hi.' It's a little different than a fund-raiser. There's no money changing hands."

Mr. Brownback, an outspoken advocate of campaign finance reform, was engulfed by telephone lobbyists and fund-raisers at the Monocle. He could not be reached for comment.

Away From Politics

• **The U.S. attorney has asked** for a waiver of diplomatic immunity to permit prosecution of a Republic of Georgia envoy, Gueorgui Makharadze, for the death of a 16-year-old girl in a car crash in Washington. *(AP)*

• **Three convicted murderers were executed** within about three hours in Varner, Arkansas, but the last, Kirt Wainwright, lay waiting to receive a lethal injection for about an hour, as the U.S. Supreme Court debated a last-minute appeal. The execution was finally carried out. *(NYT)*

• **Hundreds of thousands of dollars** in coins, bills and food stamps rained down on a street in Overtown, Florida, when an armored truck overturned on an elevated highway. *(AP)*

• **California and Arizona will petition** the Supreme Court to overturn a court ruling that rejected their demands for federal reimbursement for the costs of illegal immigration. *(WP)*

• ***U.S. marshals should be sent to*** **The Citadel**, the military college in Charleston, South Carolina, to brief cadets on federal law and reporting hazing, the Justice Department has suggested. Eleven cadets face disciplinary action in the hazing of two female cadets last year. *(AP)*

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POLITICAL NOTES

Gingrich's Penalty To Precede Report

WASHINGTON — The House of Representatives will vote on what punishment to impose on Speaker Newt Gingrich without having a full report from the ethics committee on his offenses.

Mr. Gingrich, Republican of Georgia, has admitted bringing discredit on the House by giving the committee false information and failing to get sound tax-law advice on the financing of his televised college course, which an investigating subcommittee found was used for political purposes.

The committee wrangled over procedures for more than 12 hours Wednesday and early Thursday, spending one of the 14 days the House gave it on Tuesday to wrap up the case.

The panel agreed to hold public hearings on the accusations against Mr. Gingrich next Monday and Tuesday, rejecting Democratic efforts to hold them before the weekend.

After that decision, James Cole, the outside counsel who has led the investigation for the last year, told the panel he could not finish a report by Jan. 21, when the House will vote on the question. His report will be made on Feb. 4, two weeks after representatives have voted.

Instead of a full report, the ethics committee will recommend punishment and offer the House its reasons for its recommendation not later than Jan. 19, two days before the vote.

The decision was a major victory for Representative Nancy Johnson, Republican of Connecticut, who heads the committee. Essentially, the committee agreed to a timetable that she had proposed over the objections of Democrats and Mr. Cole. *(NYT)*

'No' Vote, No Dinner, Republicans Decree

WASHINGTON — Newt Gingrich said there would be no retribution and House Republican leaders said there would be no retribution, but Republican Party officials apparently did not get the message.

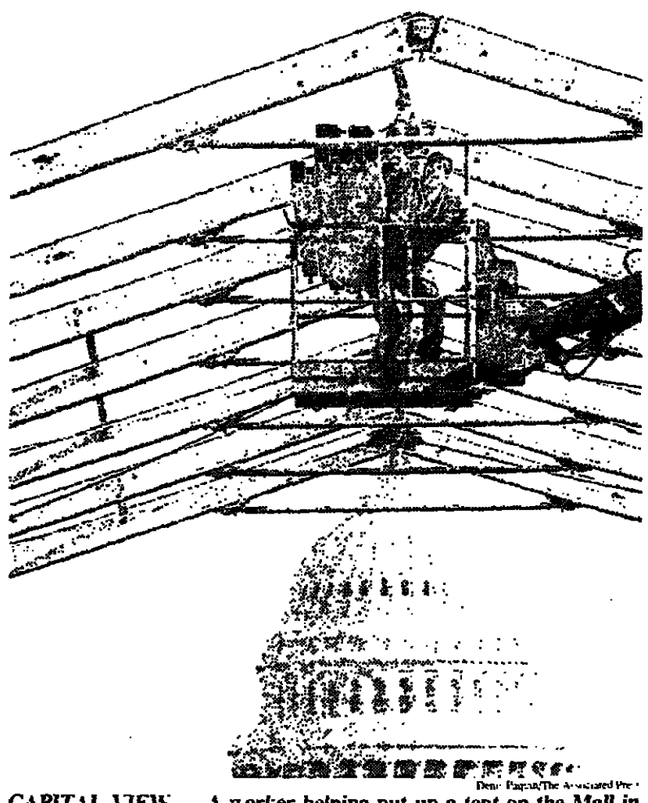
Republican lawmakers who did not vote to re-elect Mr Gingrich as speaker were told they were not welcome at the dinner Wednesday night honoring the Republican National Chairman, Haley Barbour, where Mr. Gingrich spoke.

The lawmakers were not asked flatly to stay away from the gala, but they were told that many Republican donors had asked not to be seated with them.

"We're just informing members of their sentiments," Edward W. Gillespie, the committee's communications director, said Wednesday.

"It's more a matter of not wanting to have a member of Congress show up at a festive event and then have the conversation come to a grinding halt when they sit down at the table," he said.

But Mr. Gillespie did not dismiss the issue of loyalty as a factor and signaled that there would be consequences for not backing Mr. Gingrich. *(WP)*



Denis Paquin/The Associated Press

CAPITAL VIEW — A worker helping put up a tent on the Mall in Washington in preparation for the presidential inauguration Jan. 20.

California Politicos Eye Sacramento

WASHINGTON — The departing White House chief of staff, Leon Panetta, and Senator Dianne Feinstein, Democrat of California, have talked privately about which of them should run for governor next year and have agreed that neither wants a primary battle that would weaken the eventual Democratic nominee, according to Mr. Panetta.

Mr. Panetta, a former California congressman, and Ms. Feinstein have both said they are considering the governorship, and both said this week they were undecided about it. But they appear to have reached one conclusion: They do not want to run against each other.

"Senator Feinstein and I have a very good relationship, and both of us have talked to each other and said we're going to continue to talk," Mr. Panetta said.

Ms. Feinstein, through a spokesman, confirmed that she had spoken several times with Mr. Panetta and that "politics has come up." *(LAT)*

Quote/Unquote

Margaret Milner Richardson, the Internal Revenue commissioner, who plans to resign as soon as the Clinton administration finds a replacement, denying that she felt political pressure to leave the job she had held since May 1993: "No. I certainly didn't. Just my own personal pressure." *(NYT)*

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Greece●	00-800-1311	Israel	177-100-2727
Ireland	1-800-550-000	Saudi Arabia	1-800-10
Italy●	172-1011	**AFRICA**	
Netherlands●	06-022-9111	Ghana	0191
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INTERNATIONAL

Uneasy in Lima's Hostage Spotlight

Fearing Reprisals, Japanese-Peruvians Prefer a Low Profile

By Calvin Sims
New York Times Service

LIMA — Ever since the first Japanese immigrants arrived in Peru as contract plantation laborers at the turn of the century, they have flourished, and today they are a prosperous, close-knit population.

Japanese-Peruvians have long sought to maintain a low profile while quietly integrating into society at large, but the guerrilla attack on the Japanese ambassador's residence on Dec. 17 has suddenly thrust them unwillingly into the spotlight. About half of the 600 or so hostages taken were Japanese or Peruvians of Japanese descent.

The siege, which is in its fourth week, with 74 hostages still held, has torn a hole in the heart of Peru's Japanese population.

Many Japanese-Peruvians say they are worried that they will suffer repercussions from the rebel attack, which has shattered Peru's hard-earned image as a reformed country free of terrorism. That image was forged by another Japanese-Peruvian, President Alberto Fujimori.

"Just as there was a lot of pride and joy in the community that one of its own, President Fujimori, had achieved the highest office of the land, there was a lot of trepidation that if his government performed badly, we would suffer for it," said Mary Fukumoto, an anthropologist whose parents were Japanese immigrants.

The Tupac Amaru guerrillas have said that they seized the ambassador's residence to protest the interference of Japan in Peru's internal affairs and its support of Mr. Fujimori's free-market economic program.

Since his election, he has worked hard to cultivate ties with Japan, which has become one of Peru's major trading partners and sources of aid.

According to a tally by the Japanese-Peruvian Cultural Center here, about 30 of the remaining hostages are of Japanese origin, including the Japanese ambassador, Marihisha Aoki; the president's brother and adviser, Pedro Fujimori; Congressman Samuel Matsuda; Ricardo Kamiya, the president's secretary-general, and several businessmen and foreign diplomats.

"There is not a single person in our community who does not personally know someone who was taken hostage," said Daniel Oscar Tagata, president of the cultural center. "We are hurting, mainly for those who are still being held inside, but we are also asking ourselves what this means for our future."

Juan Tokeshi, an architect for the Center for Promotion and Study of Development, which builds housing in poor neighborhoods, said that he worried that the hostage crisis could cause many in the Japanese-Peruvian community to become more insular.

The first Japanese immigrants endured long hours for little pay and often faced discrimination in the cotton fields and sugar plantations. Most pooled their resources and moved to coastal cities, where they became entrepreneurs.

By World War II, immigrants and their children had become a prosperous community of about 15,000 concentrated around Lima. During the war, however, bands of nationalist thugs attacked Japanese businesses and the authorities deported 1,400 Japanese immigrants. The community continued to suffer blatant racist attacks well into the 1950s.

There are about 80,000 Peruvians of Japanese origin in a country of more than 24 million people. It is the second largest Japanese community in Latin America, exceeded only by the million or so Japanese-Brazilians.

Japanese-Peruvians have never fully become assimilated into the dominant mestizo culture, which has long respected their work ethic, values and humility. In recent years, however, many have branched outside what are considered traditional roles. Only about half of the community speaks Japanese, and many are now marrying outside their ethnic group.

The community has long been divided politically. When Mr. Fujimori was first elected in 1990, he won with scant support from his fellow Japanese-Peruvians, who, fearing they would become a target of radical leftist guerrillas bent on overthrowing the government, voted for the writer Mario Vargas Llosa.

"As a community, we are more Peruvian today than ever before," said Julio Higashi Lopez, a former hostage and president of Imagen Noticias, a news agency. "I remember when the emperor visited Peru 30 years ago. Instead of bowing like everybody else, I stretched out my hand, and everyone thought I was crazy."

The success of the Japanese-Peruvian community is in stark contrast to the fortunes of Peru's other ethnic groups, which generally live in extreme poverty. The Japanese-Peruvian Cultural Center is a testament to the community's prosperity. The center contains a clinic with 100 doctors and facilities including a gymnasium.

Scott Dalton/The Associated Press

Several hundred students marching near the ambassador's seized residence in Lima with Japanese and Peruvian flags to support hostages.

■ Ransom Report Denied

The rebels put a sign up in the Japanese ambassador's residence on Thursday denying government assertions that they were asking for ransom money from their captives, Reuters reported.

"Do not lie, Mr. Fujimori," the sign said. "Money does not interest us. The demand is freedom of our prisoners."

In the last two days, President Fujimori's government has urged Japanese companies with representatives held captive not to give in to what he called "blackmail."

Although the rebels have in the past kidnapped businessmen and politicians to raise money, there has been no evidence that this was their aim this time. Their principal demand has been the release of about 400 jailed comrades.

COURT: *Legalized Suicide?*

Continued from Page 1

the court ruled that a person has a constitutionally protected right to refuse unwanted medical treatment. But that case — brought by parents who wanted to disconnect their daughter's feeding tube — involved the rather passive withdrawal of artificial life supports.

Wednesday's question posed a more difficult dilemma: one that puts the physician in the active role of bringing on death by providing the lethal injection or other means of ending a patient's life. If the Supreme Court were to uphold lower-court rulings finding a constitutional right to doctor-assisted suicide, states would be able to regulate the practice but not ban it, as a majority now do.

A decision in the paired cases will be handed down before the court recesses this summer.

This is not an issue of simply "choosing to die," Chief Justice William H. Rehnquist said. "It's that they want assistance from a physician to do it, that's what we're arguing about."

Justice David H. Souter, one of the justices more inclined to protect issues of personal privacy, suggested it might be too soon for the court to assess the risks of making assisted suicide legal, or to weigh patients' interests in being free of pain and suffering. "It may be impossible for a court to assess that sensibly for a long time until there is more experience out in the world," he said.

Those who advocate a right to physician-assisted suicide, including some doctors, say cancer patients, AIDS victims and others who are terminally ill should not have to suffer through a painful death. An individual's right to privacy, they contend, should guarantee the choice to speed death with drugs or other methods prescribed by a doctor. In other words, people should have a choice in their own death.

Those who oppose that view, including the Clinton administration and the Washington and New York state officials arguing the case, voice an overriding interest in protecting life and assert assisted suicide would be abused by unscrupulous doctors and greedy relatives. They say it could force depressed or misguided patients into an irreversible choice.

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EUROPE

Opposition in Serbia Posts Another Victory

But Marches Will Continue Despite Ruling

Compiled by Our Staff From Dispatches

BELGRADE — President Slobodan Milosevic on Thursday made his third concession to protesters in as many days, but the opposition said mass demonstrations would continue.

Serbia's Supreme Court, widely believed to be directed by Mr. Milosevic, announced that the opposition had, after all, won municipal elections in Vrsac, east of Belgrade, in November.

Vrsac was on the list of six major towns that Foreign Minister Milan Milutinovic said last week had been won by the governing Socialist Party.

But Zoran Petrov, an opposition spokesman, told the independent B-92 radio Thursday that the Supreme Court had accepted a complaint addressed to it by opposition officials in the town. The court ruled that the opposition had won 24 seats on the council, compared with 19 for the Socialists, Mr. Petrov said.

On Wednesday, Mr. Milosevic's government, confronted by more than 50 days of protests over its cancellation of opposition election victories, recognized that the opposition had won in Nis, the second-largest city in Serbia.

The announcement on Nis was "a positive development, but it doesn't go nearly far enough," the U.S. State Department spokesman, Nicholas Burns, said Thursday in Washington.

Mr. Burns said that Mr. Milosevic could not win world applause by "dribbling out minor concessions."

"The Serbian government does not have the right to grant the opposition victories that the opposition won on its own in elections," he said. "Government leaders do not decide elections, people do. And Mr. Milosevic doesn't seem to have grasped that fundamental lesson about what democracy is."

On Tuesday, the government recognized an opposition victory in the town of Lapovo. But the opposition said Thursday that these three concessions would not stop the protests.

"The moves show that the authorities are starting to ease their stance, but we are continuing with our protest," said Zoran Djindjic of the Democratic Party.

Opposition leaders held a rally Thursday afternoon in central Belgrade, and student protesters blockaded a police cordon after forcing the police to back off at another location.

Student leaders said they would continue their actions until an official statement was issued to the police to not block the streets. They appealed to residents to come out and support them throughout the night. *(AFP, Reuters)*

■ **UN Identifies Bodies**

United Nations war-crimes investigators have identified 60 of about 200 bodies exhumed from a mass grave in eastern Croatia, and confirmed that they were hospital patients executed by Serbian forces in 1991, Croatian state media said Thursday, Reuters reported from Zagreb.

UN experts working for the international war crimes tribunal at The Hague confirmed that the victims had been patients who had been taken from the hospital in Vukovar by besieging Serbian troops. They were later executed in the vicinity of the Ovcara grave, a few kilometers south of the town, the agency reported.

Dimitri Messinis/The Associated Press

A man examining a car engine in central Belgrade during street protests. He carried a sign reading, "I repair wrecks, well and quickly."

Austrian Rightist Asserts Role in Bank Sale Dispute

Reuters

VIENNA — The leader of the far right, Joerg Haider, exploiting a split in Austria's government, said Thursday that his Freedom Party was holding talks with conservatives in the governing coalition over the planned privatization of the country's second-largest bank.

Chancellor Franz Vranitzky's plan for the sale of Creditanstalt-Bankverein AG has driven a wedge between his Social Democrats and their conservative allies, the People's Party.

Creditanstalt was once the bankers of the Habsburg imperial family and is still considered a conservative fiefdom.

The People's Party fiercely objects to the prospect of the Creditanstalt's being taken over by a rival, Bank Austria AG, that is indirectly controlled by the Social Democrat-dominated city of Vienna.

Mr. Haider, who has made strong electoral gains in recent years but was frozen out of power by the Socialist-conservative alliance, said at a news conference: "We have already had several rounds of talks with Farnleitner and his experts." Economics Minister Johann Farnleitner is a member of the People's Party.

He said the two parties had found common ground on a number of points about the sale of the flagship bank but declined to give details.

The People's Party, led by Foreign Minister Wolfgang Schuessel, has called for an emergency session of Parliament next Tuesday. It could turn into a showdown between the two governing parties.

The conservatives, who could muster a majority in Parliament if supported by Mr. Haider's Freedom Party, would like to see Creditanstalt sold to an international consortium led by the Italian-controlled insurer EA-Generali.

Mr. Vranitzky has called for a special session of coalition leaders Monday in an attempt to defuse the crisis in his year-old government.

Finance Minister Viktor Klima, a Social Democrat, who has sole responsibility for choosing the Creditanstalt buyer, said he hoped the conservatives would not force a government breakdown.

"That would mean fresh elections and, the only one to profit from it would be Haider," he said in an interview in Thursday's edition of the current affairs magazine News.

Mr. Haider's party scored nearly 28 percent in European elections last October, just a few thousand votes behind the two big parties, which have governed Austria alone or together since the end of World War II.

Mr. Haider said he did not believe that the government would crumble over the Creditanstalt affair.

The final deadline for offers to buy Creditanstalt expires Friday. Creditanstalt on Thursday reported what may be its last set of preliminary profit figures before the sale. Group net earnings increased to 2.6 billion schillings ($235 million) in 1996 from 2.16 billion schillings a year earlier, helped by a 9-percent decline in risk provisions to about 3.1 billion schillings.

■ **Board Member Resigns**

A member of Creditanstalt-Bankverein's policy-setting supervisory board resigned amid the anticipated takeover of the bank by Bank Austria, Bloomberg reported from Vienna.

Paul Loebenstein, a three-year supervisory board member who represented the interests of minority shareholders, has submitted his resignation, the bank's chief executive said.

Milosevic's Crossroads: Two Paths to Oblivion?

By Michael Dobbs
Washington Post Service

BELGRADE — Shortly after the eruption of Serbia's political crisis, a cartoon appeared in a local newspaper that summed up the critical choice facing the last old-style Communist boss in Europe. The drawing showed President Slobodan Milosevic of Serbia standing at a fork in the road. A signpost offered him a choice of two directions: "Europe" and "Romania."

The newspaper readers understood "Europe" as shorthand for the introduction of the rule of law, radical economic reform and an end to the international isolation that resulted from Serbian involvement in the three-and-a-half-year war in Bosnia.

"Romania," by contrast, was the code word for a full-blooded Communist dictatorship cut off from the outside world and condemned to a future of economic penury.

It has been more than seven weeks since protests erupted in Belgrade over the alleged theft of local elections by the Milosevic government. Seemingly oblivious to the political turmoil around him, the Serbian strongman has been hesitating in front of the imaginary signpost, either unwilling or unable to take an irrevocable step in one direction or another. In the view of most political analysts, time is now running out for him to make a decision.

"We are living on a knife edge," said Ivan Stambolic, a former Serbian president and political mentor to Mr. Milosevic who was forced out of office in 1987 after his protégé embraced the cause of Serb nationalism. "Neither side wants to resort to violence, but the situation is so tense that a single incident could spark a general conflagration."

Mr. Milosevic's problem, and the best explanation for his hesitation, is that either course leads to likely political

NEWS ANALYSIS

oblivion. The experience of Eastern Europe has shown that any Communist leader who introduces democracy and radical economic reform is almost certain to be booted out of office in the next election. If he resorted to the Romanian variant, he might succeed in holding on to power a little longer, but could eventually suffer the fate of the Romanian dictator Nicolae Ceausescu, who was executed by his own army on Dec. 25, 1989.

One of the most striking things about the present crisis has been Mr. Milosevic's own silence. His last big public appearance was on Dec. 24, when he addressed a rally of his supporters in Belgrade. A week later, he gave a three-minute televised speech to mark New Year's Eve.

Over the past month, Mr. Milosevic has withdrawn into self-imposed seclusion, refusing to meet with Western diplomats or the more liberal wing of the ruling coalition. Instead, he has surrounded himself with political cronies and appears to be relying heavily for advice on his wife, Mirjana Markovic, a hard-boiled Marxist ideologist and founder of the hard-line Yugoslav United Left party.

"In essence, he rules alone," said a former political ally who recently fell out with Mr. Milosevic. "He has created a kind of virtual reality for himself. If something does not fit into his plan, he thinks there is something wrong with reality and that it is simply necessary to change the person who was unable to carry out his orders."

This source compared Serbian politics to Indonesian shadow-puppet plays: "You can see the figures, but the real play is taking place in the shadows. There are two parallel systems of government, one of which is public and has no power. The other government exists in secret, and has all the power but no responsibility."

Western diplomats and Serbian officials alike worry that there is practically no one in Mr. Milosevic's inner entourage who is prepared to tell him the truth. According to these accounts, one of the few people in Belgrade who are ready to speak frankly with the Serbian leader is the U.S. chargé d'affaires, Richard Miles. Mr. Milosevic, however, has refused to meet with Mr. Miles or any other Western ambassador for the past month.

"He is mad at the Americans because he thinks that they have cheated him," said a pro-Milosevic politician, noting that the United States had relied on Mr. Milosevic to push through the 1995 Dayton peace accord on Bosnia. "The hard-liners are playing on this anger."

According to this source, Mr. Milosevic initially appeared willing to accept the loss of Belgrade and other cities in the elections on Nov. 17.

"They have a plane, but they don't have a pilot," the Serbian president had said of the opposition.

But it is widely assumed that his wife and other hard-liners in her party, a member of the ruling coalition, persuaded Mr. Milosevic not to risk allowing the opposition to gain such a prominent political platform for its views.

"The only thing that Milosevic is concerned about is power, and that power is being eroded day by day," said Miodrag Perisic, a leader of the Democratic Party, which belongs to the Together coalition.

What started out as a relatively manageable protest against stolen elections has now mushroomed into a full-fledged democracy movement. Opposition leaders have made clear that they will not be satisfied with partial concessions. The minimum political price is full access to the media and a level playing field for Serbia's presidential and parliamentary elections, which are scheduled later this year.

BRIEFLY EUROPE

Belgian Raids Find Pornography

BRUSSELS — Belgian police searching for pedophile pornography raided 60 homes and other establishments around the country in a coordinated operation Thursday, the spokesman for a Brussels court said.

"Based on a list of addresses we received from France, and another from Great Britain, we carried out searches at 60 or so places today," said the spokesman, Josef Colpin.

Mr. Colpin said about 20 of the searches were in and around Brussels. He declined to give details. *(Reuters)*

Jewish Agency Rebuffs Swiss

JERUSALEM — The chairman of the Jewish Agency refused Thursday to meet with the Swiss ambassador to Israel in a growing dispute with Switzerland over compensation for Holocaust victims.

Jewish leaders are furious about a remark by Switzerland's former president, Jean-Pascal Delamuraz, describing a suggestion to set up a compensation fund for elderly Holocaust survivors as "blackmail."

In a letter to the Swiss ambassador, Thomas Borer, Abraham Burg said he and his colleagues would not meet with representatives of the Swiss government "until such time as the appalling statement made by the former president is retracted." *(AP)*

A Nuclear Link to Leukemia?

PARIS — A new study prepared for release Friday said that children playing on the beach near a French nuclear waste processing center in Normandy face a higher risk than others of developing leukemia.

The report, in the British Medical Journal, raised questions about government monitoring of the state-owned company Cogema, which called the study alarmist.

Cogema's La Hague plant, west of Cherbourg, processes waste from more than 50 nuclear power plants across France. Researchers studied 27 cases of children with leukemia within a 35-kilometer (20-mile) radius of the plant. Two other nuclear sites are in the region.

Jean-Francois Viel, a professor of public health biostatistics and epidemiology at the University of Besancon, led the study. *(AP)*

France Expels 89 Immigrants

PARIS — France expelled 89 Moroccan and Malian immigrants who were in France illegally or who had "disturbed public order," the Interior Ministry announced Wednesday. Of the total, 33 were recently released from prison.

A specially chartered aircraft bound for Casablanca and Bamako carried 30 Moroccans and 47 Malians. Twelve other Moroccans were flown home on a regular flight. *(AFP)*

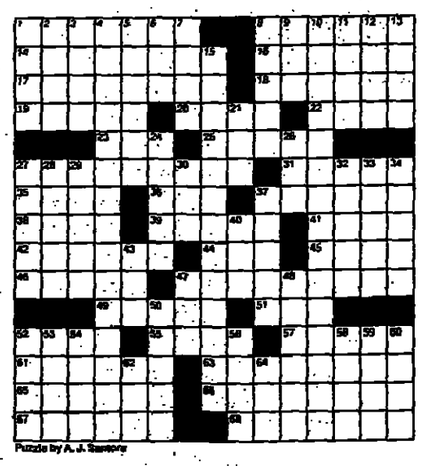
CROSSWORD

ACROSS

1 Where NaCl is collected
5 First name in German politics
10 Noted Ojibwa of fiction
16 1955 title heroine
17 Classic adventurer
18 Fan
19 Where the Mikado once lived
20 Relative of "Fudge!"
22 "Show Boat" composer
23 Focal point
25 Politico Bella
27 Overly strict
31 Kind of buddy
35 Rate — (be perfect)
36 Vote in Québec
37 "Life of Christ" painter
38 Diana of "The Avengers"
39 46-Across, e.g.
41 Senior member
42 Abbey Theater name
44 Brigitte is one
45 About
46 Four-time Emmy-winning series
47 Elimination game
49 Detectives' info, possibly
51 Health grp.
52 "Heartbreak House" writer
56 Transportation Secretary beginning 1993
57 Wouldn't hurt —
61 He coined the phrase "Harmony in discord"
63 Holdings
65 Compliant one
66 Lifting device
67 Eighty-sixes
68 Defrauded

DOWN

1 Common quotation attribution: Abbr.
2 Unsubstantial
3 Italian body of water
4 With 10- and 15-Down, a Fellini quote
5 Prove to be successful
6 Suffix with senior
7 None-too-gentle landing
8 Frequency unit
9 Jeff Lynne's rock grp.
10 See 4-Down
11 Wee parasite
12 Client
13 Cousin of a gull
15 See 4-Down
21 Epitome of simplicity
24 Exchange
25 Where: Lat.
27 Utterance
28 Mohawk River city
29 Splendid
30 Easter start
32 Office assistant
33 Japan's — Bay
34 "Terrace at Le Havre," e.g.
37 Kind of radiation
40 Hardly old-fashioned
43 Farm animal
47 Schoenberg's "— to Napoleon"
48 "Melrose Place" role
50 Impersonators
52 Worn out
53 Wanderer
54 "Iliad" figure
56 Sacred bull of Egyptian myth
58 Some soil
59 Start of Massachusetts' motto
60 Made a tax valuation: Abbr.
62 Medium grade
64 Forbes rival



Puzzle by A. J. Santoro

©New York Times/Edited by Will Shortz

Solution to Puzzle of Jan. 9

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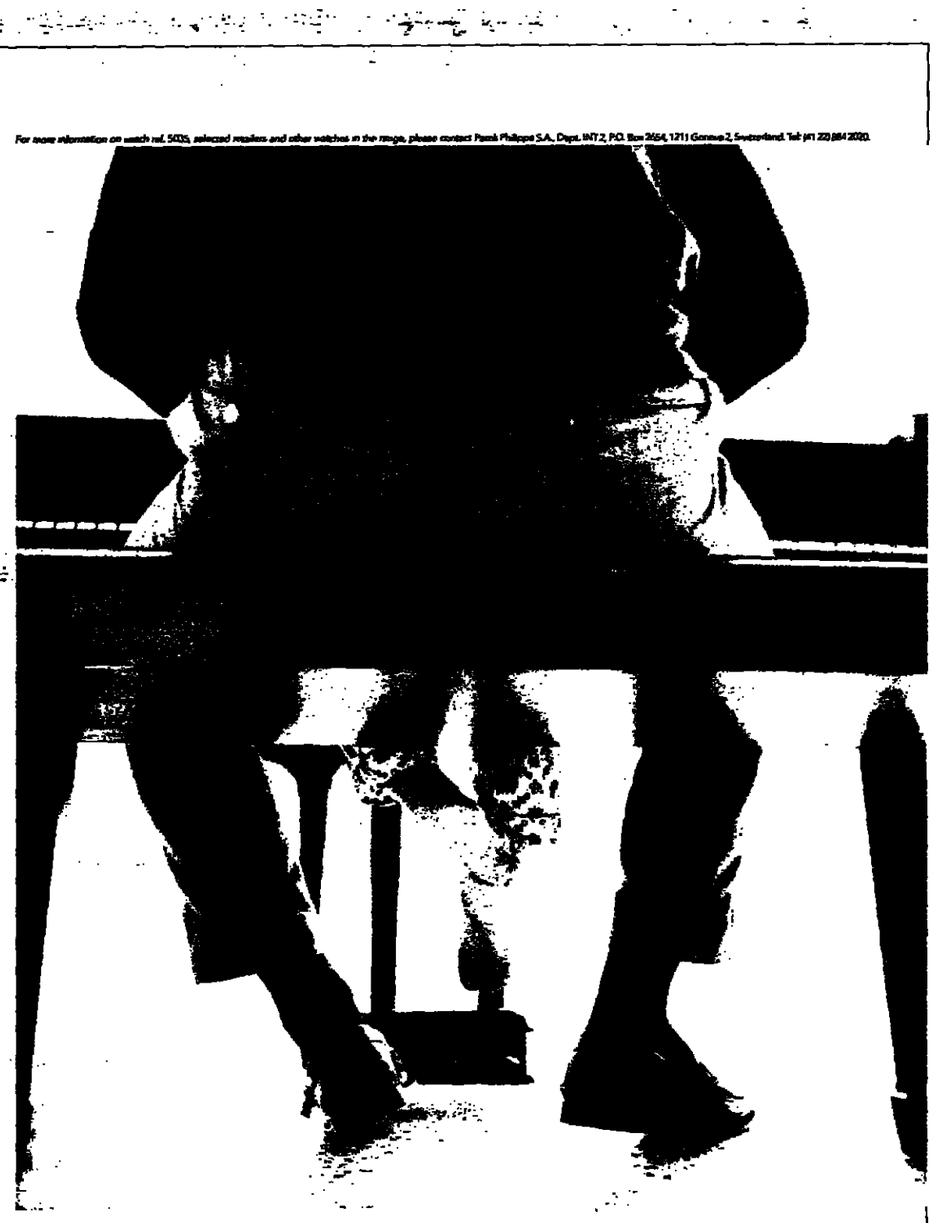

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ASIA/PACIFIC

Main Korean Union Urges Biggest Strike Yet

Students and Workers Clash With Police

Compiled by Our Staff From Dispatches

SEOUL — The main labor union group called Thursday for the biggest strike in South Korean history, while prosecutors threatened to send the police to seize militant unionists holed up in a Seoul cathedral.

Central Seoul was turned into a rubble-strewn battleground as about 2,000 workers and students clashed with riot policemen as they tried to prevent the police from arresting leaders of an outlawed group who lead the walkouts over a new labor law.

The workers and students clashed with hundreds of riot police in the Myongdong shopping block. The police fired tear gas, forcing stores to shut down and shoppers to flee. But the protesters regrouped and fought back with rocks and metal pipes.

The Federation of Korean Trade Unions, a legal group that claims 1.2 million members, said a two-day strike would begin Tuesday to try to force the government to abandon a new law that allows companies to lay off workers.

The law gives management more power to fire workers and hire substitute labor, actions previously unheard-of in a country where lifetime employment was nearly guaranteed. It also grants greater powers to unions, but puts those powers on hold for three to five years.

Power, port and railroad workers were urged to go on partial strike and all others to join a full stoppage. City transport would stop, while hospitals, banks, hotels, and state industries would also be affected.

Earlier in the day, as the strikes entered their third week, President Kim Young Sam told his cabinet: "The ongoing illegal strikes are disrupting social order and worsening the state of the economy. They must be dealt with harshly by law."

He then ordered the ministers to lay off 10,000 public servants in phases — a measure that takes advantage of the freer hand allowed by the new law.

State prosecutors issued warrants for seven leaders of the outlawed Korean Confederation of Trade Unions to appear in court Friday.

Several hundred riot police burst into the militant group's headquarters and offices late Thursday to seize documents, a union official said.

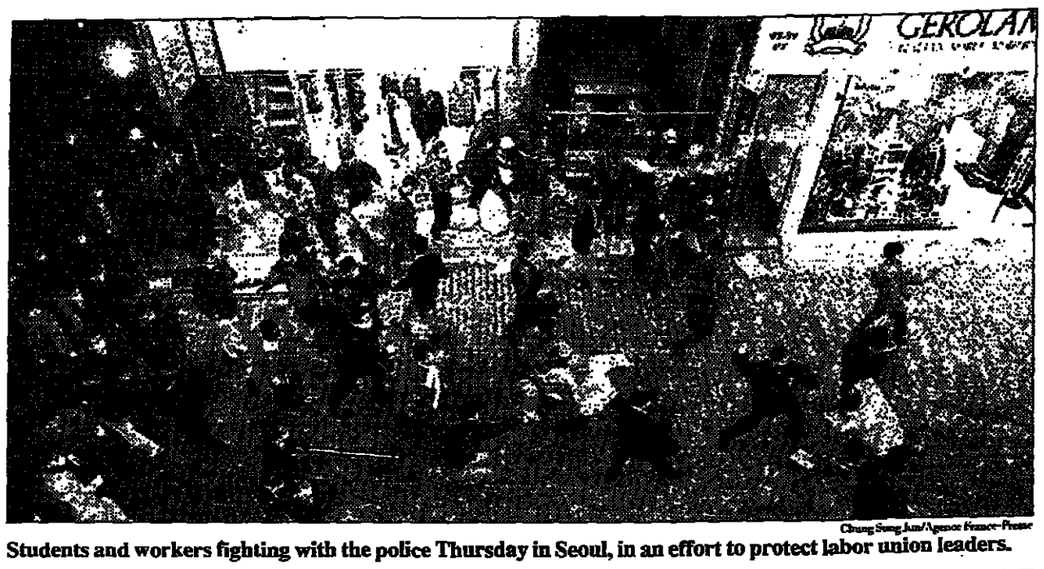
The president of the confederation, Kwon Young Kil, and his lieutenants said they would refuse to comply with the order to appear in court. They were huddled in a plastic tent in the grounds of Myongdong Cathedral in Seoul.

"If they don't appear tomorrow morning" in court, a prosecution official said, "we will have to send a large number of police officers to execute the warrants."

Any attempt to storm the church grounds would almost certainly spark fierce clashes and reignite strikes that began to fizzle Thursday as workers streamed back to shipyards and car plants in response to government threats.

Earlier, a global trade union group, the International Confederation of Free Trade Unions, appealed to the International Labor Organization to intervene to prevent the arrests of the labor leaders.

Mr. Kwon called for international pressure on Seoul to repeal the labor law. *(Reuters, AP, AFP)*



Chung Sung Jun/Agence France-Presse

Students and workers fighting with the police Thursday in Seoul, in an effort to protect labor union leaders.

Rebels Attack Town and Army Base in Sri Lanka

Compiled by Our Staff From Dispatches

COLOMBO — Tamil Tiger guerrillas attacked a key town and a military base in northern Sri Lanka on Thursday, but were repulsed after about 500 of their fighters were killed or wounded, the Sri Lankan Defense Ministry said.

The ministry said that the Liberation Tigers of Tamil Eelam attacked the small town of Paranthan and the Elephant Pass military complex, and that fighting raged for most of the day.

"Troops have recovered the bodies of 60 soldiers who died in the attack," a military spokesman said. "We're still searching for more casualties."

The ministry said earlier that 232 of its troops had been wounded. "The figure of our own troops killed in action is likely to increase, as the search is still going on," the ministry said.

The Elephant Pass camp is significant because the area links the mainland with the northern Jaffna Peninsula, which government troops captured last year. Paranthan is the army's only link to the Kilinochchi area, which it recently captured.

The Defense Ministry said it based its toll on the guerrilla casualties on intercepted rebel radio transmissions.

But a spokesman in London for the Liberation Tigers of Tamil Eelam denied the army's figures.

"The government claim is totally false," the spokesman, Anton Raja, said by telephone. "It routinely exaggerates LTTE deaths to maintain flagging morale among supporters and troops." He said he had no details of the battle.

The Tigers used human-wave tactics and suicide bombers to overrun the defenses at Paranthan, 280 kilometers (185 miles) north of the capital, Colombo, in the first major battle this year, military officials said.

The army said it rushed aircraft and troop reinforcements to repel the attack.

Government troops captured Paranthan in July, and in September launched an offensive from there that took Kilinochchi in an eight-day battle. The government said 253 soldiers and 690 rebels were killed in the fighting.

The rebels are seeking a homeland in the north and east of this Indian Ocean island nation, claiming that Tamils are discriminated against by the Sinhalese majority, which controls the government and the military. More than 46,000 people have been killed in the civil war since 1983. *(Reuters, AP, AFP)*

Oil Darkens More Than Village's Sea

Future of Small Town In Japan Is Threatened

By Teresa Watanabe
The Los Angeles Times

MIKUNI, Japan — Braving howling winds and icy sleet, the weathered fishermen and women of this picturesque town on the remote underside of Japan's western coast are pondering a future as black as the oily slop despoiling their sea.

"We fishermen are going to die," Akira Shimizu said as he and others scooped out buckets of fuel oil leaked from a Russian tanker that ran aground last week and broke in two. "We can't make money off this polluted stuff. Who can we complain to?"

Wearing rubber boots and plastic rain gear, more than 100 fishermen fought to prevent the spreading oil slick from ravaging waters rich with crab, abalone and other tasty sea treasures so famed they are sent as gifts each year to the Imperial Family.

But their primitive tools — long-handled pails and oil-absorbent mats — seemed no match for the 962,000 gallons of oil that began leaking last week from the tanker, Nakhodka, which was bound for Russia's Kamchatka Peninsula with 5 million gallons of oil. And even as the Japanese Coast Guard and other emergency crews began their first day of full-scale clean-up Wednesday with vacuums and chemical neutralizers, powerful winds and five-meter (16-foot) waves hampered their efforts.

Most of the oil spilled from the ship's bow section, now orange with rust and run aground at Mikuni, 320 kilometers (200 miles) west of Tokyo. But the other half of the vessel could pose a major environmental disaster if it begins leaking the 4 million gallons of oil it holds. Officials are pondering ways to remove the oil from the ship's hull, which has settled 600 meters under the sea.

The amount of oil is far smaller than the 11 million gallons spilled from the Exxon Valdez in Alaska in 1989. But it ranks as one of Japan's worst oil disasters.

And for the seafaring souls who live in this village of 24,300 people, the disaster was only the latest assault on their livelihoods: Fishing and farming, which made up 40 percent of the jobs 35 years ago, now make up 11 percent.

The number of *ama*, the renowned women divers who once scoured the seabed in white kimono, has dwindled to 30. Their average age has climbed to 55 as young women shun the sea for office jobs; the village is aging faster than Japan overall.

"Today's young people think it's more fashionable to work in a company," lamented Noburo Dejima, a local fisherman and inn keeper.

Mikuni is blessed more than most villages in Japan. It has abundant seafood and is famous for its towering cliffs dotted with pine groves.

But as news about the spill spreads, officials are working hard to contain the damage.

At the Mikuni Tourist Association office, reporters and would-be visitors called every few minutes to ask about the spill. "Is the crab O.K.? Has the oil reached the area? Are the inns still operating?" an official of the association, Hirotaka Kato, said callers were asking.

He said the association had prepared a flyer asking reporters not to exaggerate the damage, asserting that not all coastal areas have been hit. Crab, shrimp, flounder and other deep sea fish "have not been influenced at all" the flyer says.

Still, he added that the association will not send the Imperial Family its gift of Echizen crab this year. And he noted that the full damage to the town's tourism industry would not be known for months, when the seafood is harvested and examined for pollution.

■ Winds Whip Spreading Slicks

The battle against the oil spill grew more difficult Thursday as huge new slicks whipped by heavy winds quadrupled the amount of coastline affected by the spill, Reuters reported from Mikuni.

The Fisheries Agency said that 450 kilometers of shoreline were now threatened by the breakup of the Russian tanker, spanning six prefectures on the Sea of Japan and stretching from around Kyoto to the Noto Peninsula.

With oil continuing to spill, "the disaster could turn out to be one of the worst in the nation's history," the Kyodo news agency reported.

Oil reached the coastline of Hyogo Prefecture on Thursday morning, about 160 kilometers from where the bow of the ruptured tanker washed up on the rocks in Mikuni.

BRIEFLY ASIA

Bangladesh Frees Ershad

DHAKA, Bangladesh — Former President Hossain Mohammed Ershad was freed from prison Thursday and said he would soon resume an active political life.

He denied opposition charges that his freedom was the result of a deal between his Jatiya Dal party and the governing Awami League of Prime Minister Hasina Wazed.

"I did not buy my freedom through anyone's mercy or by alliance with anyone," he said at his home.

Mr. Ershad faced 19 charges of corruption and had been in prison since he was toppled in a people's uprising in December 1990.

The opposition Bangladesh Nationalist Party of former Prime Minister Khaleda Zia described Mr. Ershad's release as the "outcome of a successful conspiracy" between Jatiya Dal and the Awami League. *(Reuters)*

China Warns Washington

BEIJING — China warned the United States on Thursday that slowly warming ties could become "more complicated" if Washington decided to confront Beijing on human rights.

"If the human rights question is made into an issue to interfere in China's internal affairs, then this problem will become more and more complicated," the Foreign Ministry spokesman, Shen Guofang, said at a news briefing.

Differences in U.S. and Chinese views toward human rights were normal and could be resolved through talks, Mr. Shen said.

"But if you are confrontational then the basis for dialogue will be lost," he said in response to a question about China's reaction to comments by Secretary of State-designate Madeleine Albright, in which she criticized Beijing's human rights record. *(Reuters)*

In Jakarta, Mutual Vows

JAKARTA — The leaders of Japan and Indonesia on Thursday pledged mutual cooperation, stressing the importance of ties between Tokyo and Southeast Asia.

Prime Minister Ryutaro Hashimoto of Japan said at a dinner held by President Suharto that the expected expansion of the Association of Southeast Asian Nations "provides the core for dramatic regional cooperation."

It is essential, he said, for "our two countries to further strengthen ties and work for stability and prosperity in the Asia-Pacific region."

Mr. Suharto thanked Japan for its "wholehearted help" in his country's development, and said cooperation between ASEAN and Japan had improved economic growth in the region. *(Reuters)*

VOICES From Asia

Prime Minister Goh Chok Tong of Singapore, in a written address to victorious parliamentary candidates of his People's Action Party, who now fill all but two of the assembly's 83 seats after last week's elections: "Victory must not go to our heads. The responsibilities we have to shoulder require us to be humble, not arrogant. Start working now for the next general elections in 2002." *(Reuters)*

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INTERNATIONAL

Swift Adjournment In Genocide Trial

The Associated Press

ARUSHA, Tanzania — A prosecutor on Thursday accused the first suspect to go before a UN tribunal of trying to wipe out Rwanda's minorities so "the next generation of Rwandans will ask: 'What did the Tutsi look like?' "

Jean-Paul Akayesu, a Hutu and a former mayor who is charged with genocide, allegedly organized the April 1994 massacre of 2,000 people in his village of Taba. His trial, delayed twice since May, began Thursday, but adjourned after opening statements until Friday because three prosecution witnesses failed to appear.

The massacre was part of Rwanda's state-organized slaughter from April to July 1994 of minority Tutsi and moderate Hutu. More than 500,000 people were killed, most of them hacked to death with machetes.

In his opening remarks, the prosecutor, Yakob Haile Mariam, said that Mr. Akayesu's trial was essential to end a culture of impunity in the central African nation.

"The objective of the defense and prosecution is the same: to eradicate the culture of impunity which has destroyed the social fabric of Rwanda," he said. "Our task is to obtain justice, fair trials and national reconciliation."

Mr. Akayesu, flanked by two security guards, listened intently, at one point leaning back on the wooden courtroom bench and raising his eyebrows as if in disbelief.

"Beaten into years of submission and unquestioning obedience by a strong authoritarian state," Mr. Yakob said, peasants obeyed Mr. Akayesu's orders "to kill their neighbors, sometimes their relatives, their wives and their children."

Mr. Akayesu, 43, is one of 21 people indicted by the International Criminal Tribunal for Rwanda. He has pleaded not guilty to 12 counts of genocide, murder and torture.

Only six other suspects are in the tribunal's custody; the others are being held in other countries.

Shortly before the trial began, the tribunal announced that President Paul Biya of Cameroon had approved the transfer of four Rwandans that his country is holding. They are suspected of planning the genocide.

The four were arrested a year ago when they fled to Cameroon.

Mr. Akayesu was arrested in Zambia, where he fled when the Tutsi overthrew the Hutu government that orchestrated the killings. He was transferred to Arusha in May, when the trial was to have started. It was postponed twice after he dismissed his lawyers.

The three-judge panel granted a request by the deputy prosecutor, Honore Rakotomanana, for the new, one-day delay.

A man and two women were to have arrived Thursday in Arusha on a special flight from Kigali, Rwanda, but were delayed because of problems in obtaining their passports.

Mr. Akayesu's two court-appointed lawyers said after questioning 31 prosecution witnesses that they would request a six-month delay to prepare their witnesses.

The maximum sentence that Mr. Akayesu faces at the United Nations tribunal is life in prison. Six judges preside over the court.

Health in Question, Mobutu Is in France

Compiled by Our Staff From Dispatches

ROQUEBRUNE-CAP-MARTIN, France — President Mobutu Sese Seko of Zaire returned to the French Riviera on Thursday, less than a month after going home to face a rebel incursion and political crises.

Marshal Mobutu's return raised questions about his health and the severity of the prostate cancer that kept him in Europe from August until Dec. 17, two months after the start of a rebel war. The Zairian government has not given a reason for Marshal Mobutu's trip or said how long he would be gone, although members of his entourage said last month that he would return to France in early January for medical care.

Marshal Mobutu returned to Zaire only after rebels had run the government's army out of key eastern cities and had announced their intention to topple him.

A French Foreign Ministry spokesman, Jacques Rummelhardt, said Thursday that Marshal Mobutu had requested a three-month visa from the French Embassy in Kinshasa.

On his return to Zaire three weeks ago, Marshal Mobutu carried out a major reshuffle in his government and army high command in preparation for an intended counterattack on positions captured by rebels holding a large tract of eastern Zaire.

The rebels, led by Laurent Kabila, a longtime opponent of the Zairian president, have vowed to march to Kinshasa to overthrow him.

Marshal Mobutu flew to France from his jungle palace at Gbadolite, where he often stayed after returning to a huge welcome by over 100,000 inhabitants of Kinshasa. The return home was a brief hour of glory. Soon afterward, he was drawing renewed attacks from political enemies over his decision to retain Prime Minister Leon Kengo wa Dondo as the chief of a new crisis government formed on Christmas Eve.

The rebels have thrust out from the North and South Kivu area that they originally controlled, and fighting has raged around the eastern town of Bunia. *(AFP, Reuters)*

France Plans to Rethink Military Presence in Africa

Compiled by Our Staff From Dispatches

PARIS — France said Thursday that it planned to overhaul its military presence in Africa in line with a plan to turn its army into an all-professional force.

"It's obvious that there will be a review of our operations, because the army will become totally professional," Defense Minister Charles Millon told Europe 1 radio.

"To maximize operational efficiency, we will re-examine the bases, our presence, the rotation of soldiers sent to Africa," he said.

"We will study all that in full consultation with the African countries," said Mr. Millon, who added that France had 8,200 troops deployed on the continent.

He denied that the review was prompted by clashes in the Central African Republic. French troops launched an artillery and helicopter attack Sunday on army mutineers, killing about 10 people, after two French officers had been killed Saturday night by rebels.

Asked whether the review would mean a decrease in the number of French troops in Africa, Mr. Millon answered:

"Our aim is to have exactly the same operational efficiency. So we will study the time French soldiers spend on African territory. Whether that is shortened, or whether we will send rotating missions is a technical problem, not a political one."

The move toward all-professional armed forces, part of an extensive plan to modernize the military and increase its ability to operate overseas, was announced in 1995.

France's overall military strength will drop from a half-million to 350,000 by the year 2002, with the number of troops serving abroad decreased to 39,000 from 56,000.

Asked what rules France had for intervening in African countries, Mr. Millon said:

"France has cooperation and defense accords with a number of central African countries for political and historic reasons. France has a number of nationals in these countries and will ensure their protection."

Mr. Millon has said repeatedly in the past that France planned "no substantial modifications" in its military presence on the African continent.

He said any changes would be decided in consultation with countries with which Paris has defense agreements. *(Reuters, AFP)*

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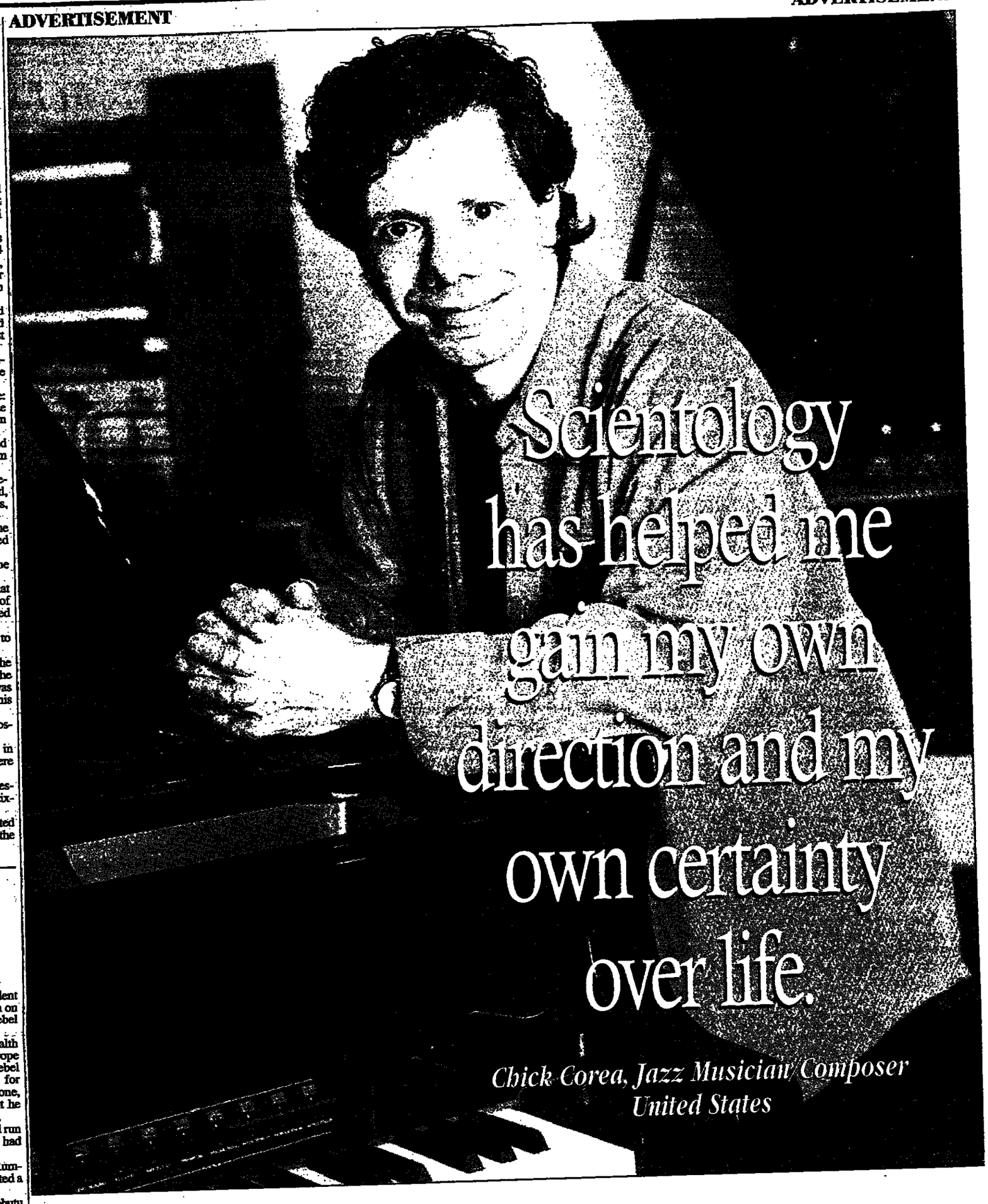

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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Albright Speaks Up

Too Much Caution

If Madeleine Albright is contemplating any significant shifts in American foreign policy during Bill Clinton's second term, she did a good job of disguising it on Wednesday. In a determinedly cautious appearance before a friendly Senate Foreign Relations Committee, President Clinton's nominee for secretary of state stuck mostly to platitudes and familiar strategies, clearly eager to avoid any surprises that might endanger her likely confirmation by the Senate.

It is probably too much to expect a second-term secretary of state to propose new initiatives that might appear critical of existing policies, particularly before assuming office, but Mrs. Albright showed disappointingly little of the fire she is known for on issues like democracy and human rights. She will prove more a custodian than an innovator if she manages American diplomacy according to the familiar outline she sketched on Wednesday.

President Clinton's foreign policy is not in need of a drastic overhaul. On many major issues his administration has shown good sense and diplomatic skill. Thanks in part to him and his first-term national security team, there is peace instead of war in Bosnia, democracy survives in Russia, and the peace effort in the Middle East has not been extinguished.

Mrs. Albright said she was committed to continuing an assertive American role in the world to protect Washington's vital interests.

But in areas where she can and should make a difference, particularly Washington's handling of China and the need to restore human rights as a centerpiece of American policy, Mrs. Albright seemed oddly restrained in her testimony.

She called human rights a signature element of American foreign policy, and criticized the conduct of repressive regimes in Nigeria, Indonesia and Burma. But she seemed determined to mute her concerns and demonstrate her enthusiasm for other aspects of American policy, particularly efforts to help open foreign markets to American business.

On China, she spoke of pressing human rights issues, but made clear that those matters would be subordinated to the broader desire to improve relations with Beijing and coax it into becoming a reliable member of the international community.

Mrs. Albright likes to describe herself as a pragmatist. That is certainly an important attribute for a secretary of state. No less important, but largely missing on Wednesday, is the passion for democracy and liberty that she has so often shown. It will be a loss for the nation if it is absent in her conduct as secretary of state.

—THE NEW YORK TIMES.

An American Story

Secretary of state-designate Madeleine Albright, in her Senate confirmation hearing on Wednesday, observed that she had not always dreamed of holding the job for which President Bill Clinton has now nominated her. She came to America at age 11, she said, her family having escaped both Nazism and communism. "My ambition then was only to speak English well, please my parents, study hard and grow up to be an American," she said. She claimed no singularity in this immigrant's tale. Indeed, her testimony was all the more moving for being such an archetypal American story.

But Ambassador Albright's background and record of achievement do more than make her the role model that several senators suggested she be. As "an embodiment," in her words, "of the turbulence of the 20th century, as well as the tolerance and optimism of the United States," she also brings authenticity and emotion to the view that U.S. foreign policy should go beyond an accountant's reckoning of obligations and interests and extend instead to a vigorous promotion of American democratic values. Turning a familiar adage on its head, she said that the United States has "no permanent enemies, only permanent principles — respect for law, human dignity and freedom."

Facing the Senate Foreign Relations Committee, she encountered little dissent and mostly admiration. Even the chairman, Senator Jesse Helms, who has found much to complain of in Clinton administration policy, said she had been a "joy" to work with as ambassador to the United Nations. But she may soon find herself recalling Wednesday's atmosphere of bipartisan warmth with considerable nostalgia.

The general principles she articulated will bump into challenges with no obvious solutions: to expand NATO without endangering the Baltic republics or isolating Russia, to firmly manage relations with China, to advance peace and security in the Middle East, to find a right role for America in the turmoil of Africa and many more, in places expected and unexpected.

In all of these, the new secretary of state will find that the activist view of foreign policy she articulated on Wednesday is far from universally shared in this Congress.

She was right when she said that America's status as a "model for those who love freedom" is neither accidental nor inevitable, but will continue only as long as American leadership makes it so. She was right to call for more generous funding of U.S. diplomacy, for money to pay the indefensible U.S. debt to the United Nations, and for belated Senate confirmation of a treaty banning chemical weapons.

When the Cold War ended, some Americans — including, it might be said, President Clinton and some of his advisers — believed that the country could devote more attention to itself and less to U.S. military strength and overseas ties. But soon enough it became clear to many that U.S. peace and prosperity depend in very large part on world peace and prosperity. Mrs. Albright seems to understand that in her bones. "We must be more than an audience, more even than actors," she said. "We must be the authors of the history of our age."

—THE WASHINGTON POST.

Sanitized Pirates

At the original Disneyland in California, they have shut down the "Pirates of the Caribbean" ride for two months for remodeling. When the attraction opens again, the mechanical pirates who were formerly seen chasing buxom women around a tavern will be gone, replaced by computerized buccaneers who will be chasing not the women, you should understand, but the platters of food that the women will be carrying.

Disneyland had received a few complaints about the lascivious pirates, who have in fact been putting on this show for some 30 years, a period during which sensitivities have changed greatly about the lighthearted treatment of scenes of rapine and about a good many other things as well.

And of course, this is no work of art being defaced but simply an amusement park attraction being refurbished, so it is not as if the Sabine Women were about to be replaced by sacks of flour and sides of salt pork.

A spokeswoman for Disneyland said the new and improved blackguards, their carnal desires redirected, will nevertheless "still behave like pirates." This may be so (if you make allowance for the absence of such other piratical activities as murdering, pillaging, burning and being hanged). There is, after all, nothing like a couple of years at sea to help a fellow work up a good appetite.

In the interests of authenticity, though, the Disney people ought to take care about what they put on those platters to be carried by the wench-persons. After long months of an unbalanced shipboard diet and the constant battle with scurvy, what a seaman really wanted when he hit town in those days was Vitamin C, and lots of it.

So no sausages, capons, pig's heads, puddings or beef roasts on those plates, please — just lots of high-fiber, vitamin-rich fruits, vegetables and cereals for the pirates of Disneyland as they bound around the tavern in pursuit of good health and regularity while singing a hearty (but never lusty) chorus of "Yo-ho-ho and a bottle of kale juice."

—THE WASHINGTON POST.

Diplomacy Can Help Avert Explosion in Serbia

By Flora Lewis

PARIS — It is something of a miracle that the mass demonstrations in Belgrade, which have taken place daily for seven weeks, have avoided large-scale violence. The determined civic spirit of the protesters who refuse to be provoked has been remarkable, and the stern warnings of the U.S. and European countries against the use of force have restrained Slobodan Milosevic.

But it is too much to expect the impasse to remain peaceable indefinitely. The "preventive diplomacy" that outgoing Secretary of State Warren Christopher liked to invoke is sorely needed while there is still a visible democratic way out.

That requires some initiative. The five-nation "contact group" set up to help end the war in Bosnia played a key role in achieving the Dayton accord. It seems to have gone into hibernation. It should be reactivated for Serbia.

A senior diplomat from the "group" countries (United States, France, Britain, Germany and Russia) says now that the leaders don't act until there is real trouble. They have plenty of preoccupations, and attend to the crises of the moment. They need to be jogged.

Big trouble is foreseeable, just as the collapse of Yugoslavia and the ensuing wars were foreseeable. Tragically, nothing adequate was done in time, so much greater efforts had to be made afterward. The mistake must not be repeated.

It is still possible to organize a constitutional, nonviolent way out of Serbia's civil confrontation. That would be of the greatest importance for the future development not only of Serbia but of the rest of ex-Yugoslavia and other troubled parts of the Balkans.

Mr. Milosevic has responded to the findings of the Organization for Security and Cooperation in Europe by offering partial recognition of opposition electoral victories, but his disdainful compromise in no way restores democratic legality.

The "contact group" should send a mission to Belgrade to make that clear; it would have far more impact than occasional statements from the capitals. Russia's participation is crucial.

Averting an explosion in Serbia, which would renew dangers throughout the region, is quite as much in Moscow's interest as in the interest of the West. At a moment when tensions are mounting in U.S.-Russian relations, it would also help show the capacity to support security with common action.

Legislative and presidential elections are due in Serbia this year.

The outside initiative should be firm in insisting not only on recognition of the municipal results but on measures to make sure that national elections are free and fair, with international supervision. That must include reasonable opposition access to the media, which have completely blacked out the extraordinary events in the capital.

To be sure, the likelihood is that Mr. Milosevic would lose in decent elections. But the alternative for him is provocation of a terrible uprising that would throw him out and leave his country in much worse disaster than he has already brought. Democracy offers advantages to the losers as well as to the winners. They can leave power in honor and in safety — which Mr. Milosevic does not deserve, but it would solve the crisis.

His army has already said that it would refuse to intervene if ordered to put down the protests. The Orthodox Church, a formidable nationalist force which has supported him, is now abandoning his cause. That matters a lot because it means that the rural population, cut off from firsthand knowledge of what has been happening by the state-owned media monopoly, will begin to learn what is at stake.

So far, workers have not joined the protests in large numbers, although they, too, have suffered from the general degradation of the economy and Serbia's isolation. Mr. Milosevic relies basically on his huge, 80,000-man heavily armed police force, which could perhaps impose order at the cost of much bloodshed but could not revive the country.

If he thinks he still speaks for most Serbs, elections are the only way to prove it. It is at such a crossroads in a nation's history that democratic procedures are the most precious.

The whole region will be affected by how Serbia emerges from this ordeal.

The arguments to be made are obvious. What matters is that they be made jointly, by Russia and the major Western powers, so that Mr. Milosevic can have no illusion of being able to play between them. That is what "preventive diplomacy" means.

Undertaking it would demonstrate that even as it prepares to expand NATO, the West is completely serious about wanting to cooperate with Russia to assure Europe security.

© Flora Lewis

Advice for Avoiding Bad Trouble in U.S.-Russian Relations

By Jim Hoagland

WASHINGTON — Official Washington loses an important balance wheel this month when Defense Secretary William Perry steps down. Mr. Perry heads back to California leaving behind some large, unfinished tasks and some definite thoughts about what must be done to prevent a new era of superpower confrontation.

Mr. Perry's low-key, steadying presence helped bring order out of the bureaucratic tumult he inherited at the Pentagon in 1994. He became Bill Clinton's most important ambassador in Washington, trying to persuade senior military leaders to put aside hostility to or skepticism about the youthful commander in chief who wriggled out of the draft in the Vietnam War.

That unenviable, behind-the-scenes ambassadorial role now falls to ex-Senator William Cohen, the moderate Republican picked by Mr. Clinton to succeed Mr. Perry. Mr. Cohen, who has never run a large bureaucracy or served in the military, will have to earn his own acceptance from a Pentagon still suspicious of the man who appointed him.

In a departure interview at his office, he characteristically avoided celebrating accomplishments. Instead he put heavy emphasis on the problems that lie ahead, especially with Russia and NATO expansion.

His stark description of Russian opposition to the expansion of the Atlantic Alliance into Central Europe contrasts sharply with the rosier scenario painted by the White House, which routinely portrays Russian objections as temporary, easily surmountable obstacles.

Russian reaction to NATO expansion "ranges between being unhappy to being very unhappy," Mr. Perry said. "This is not just one or two or a few officials expressing a view, this is a very widely and very deeply held view in Russia ... It is going to take some years, I think, to get over that feeling.

"During those years, there have to be some events happening which help give them reasons for getting over it."

Like what?

First, he urged those Russian officials who recognize that NATO represents no military threat to begin telling that to their public in a consistent, visible way. NATO in return should make clear statements ruling out establishing bases or putting nuclear weapons in the new member states.

Those are familiar positions shared within the alliance. But what came next was neither.

Mr. Perry began by underlining the importance of a NATO-Russia charter on European security. The United States would like the charter signed before the July NATO summit that will decide on extending invitations to new members. But the Russians, he pointed out, are refusing to sign before July because of concern that "they will seem to be conceding NATO expansion."

The secretary believes that the Russians will continue to refuse and will "take every action they can to try to dissuade NATO" from expanding. "So I see some hard times ahead of us between now and July."

After the summit, the Russians will have to decide whether to continue their hard-line rejection or, as Mr. Perry hopes, accept a NATO-Russia charter "that gives Russia a real voice in the security issues that NATO is acting on."

Does "real voice" imply that Russia will share in NATO decision-making? This is precisely what the Russians are asking for and what conservative critics of the administration say must not be granted.

Mr. Perry, a scientist by vocation, answered with a simple, precise "yes," qualifying it only by adding that Russia would not be given a veto over NATO actions.

He illustrated his view of Russia gaining a say on NATO decisions by recalling that 15 months ago NATO was asked to keep peace in Bosnia.

"NATO met in its council, came to its decision, took its action and then invited Russia and other countries to join them. If the NATO-Russia Partnership Council had existed then under this NATO-Russia charter, there would have been a council meeting at which Russia would participate in that discussion." NATO members would then have met and voted without Russia.

These are words on which to launch a strategic debate about the future of global stability. The Perry proposition is at odds with U.S. allies, led by Germany, who would guarantee a serious effort at reaching consensus with Russia in the joint council. A separate NATO vote would be only a last resort.

And while it is less than is demanded by the Russians (they seek "co-decision" rights with NATO on European security), Mr. Perry's proposal gives Moscow far more than many in the U.S. Senate will want to grant when they are asked to ratify NATO treaty revisions.

Mr. Perry's potentially controversial words are an effort to break the nasty logjam he sees forming in U.S.-Russian relations and to warn against likely negative consequences of a hasty program of NATO expansion.

He spoke so softly and precisely in administration debates that his presence was frequently overlooked. It may be his absence that we notice in the heated debates to come about the role of America in the world.

The Washington Post.

A Balance of Power for East Asia

By Gerald Segal

TOKYO — In Japan and other Asia-Pacific countries, a futile search has begun for a foreign policy strategy to replace the supposedly outmoded concept of balance of power. Senior Australian officials formulating a foreign policy white paper are heard to talk of something as unreal as a "balance of interests."

It is true that states today are less sovereign and more interdependent than before, but it is as essential as ever to sustain a balance of power. The key is to understand that power is becoming ever more multifaceted, and that the means of balancing it need to be equally complex.

A modern strategic equilibrium in East Asia requires the use of countervailing power of all kinds to prevent changes to the status quo by use of force.

Critics of balance of power often argue that such thinking tries to freeze the situation at a time of dynamic change in an economically booming region. But a balance of power has inbuilt rules for change. For an open, rules-based international economy, such a balance is an essential mechanism of managed, multilateral change. East Asia, like the wider world, has a major stake in a multilateral trading system that has produced so much prosperity.

The challenges to the system, and thus the components of a balance of power, come from three sources.

First is the traditional use of military force to change the status quo. When China threatens to attack Taiwan, the threat must be met by effective deterrence. The deployment of two American aircraft carrier battle groups in March was a clear demonstration of such traditional balancing power.

Hence the concern in 1995 in Southeast Asia when China seized new territory in the South China Sea, undeterred by any countervailing power.

More positively, when China and Japan refrained from using force to settle their dispute over the Senkaku Islands in 1996, good sense and a robust balance of power prevailed in keeping the peace.

Second, a balance of power is needed to rebuff those who would use economic might, in violation of the rules of the international trading system, to force submission to their will.

When China tells its trade partners that their access to Chinese markets will be denied if the Dalai Lama is greeted by senior leaders of their governments, or if complaints are made publicly about China's abuse of human rights, there is clearly a need for a balance of economic power to force Beijing to desist.

Of course, a United States that applies the Helms-Burton act against states that trade with Cuba is in a poor moral position to criticize a China that breaks the rules of the liberal trade order. A United States that tries to browbeat Japan and other countries into bilateral trade deals shows worrying tendencies of behaving like a bullying China.

A third use of power, in the political realm, is the attempt to stifle the freedoms of others. When China tries to tell the Disney corporation which films it can distribute in Kansas or Copenhagen, it is an implied threat of commercial retribution that needs to be rebuffed. China may not like foreign films about Tibet, just as Britain dislikes hagiographic movies about IRA terrorists, but Britain knows that it must not threaten American media companies with a denial of access to the British market.

In the contemporary world, these latter two types of threats to the balance of power loom larger because economic interests have become increasingly important since the end of the Cold War. But the ability to sustain a well-rounded strategic balance requires efforts in all three dimensions.

Precisely because China and the United States sometimes seek to use their power in unhelpful ways, Japan and the larger European states must help to keep them committed to defending a modern balance. The Clinton administration risks undermining efforts in East Asia to cope with China's military challenge if Washington persists with unilateral economic policies.

The writer, a senior fellow at the International Institute for Strategic Studies in London, is director of Britain's Pacific Asia Program. He contributed this comment to the International Herald Tribune.

An Auction, Not a TV Giveaway

By William Safire

WASHINGTON — My son the software developer gave me a gadget for Christmas that plugs into my television set, with a wire that plugs into the telephone jack on the wall. Are you with me so far? I don't want to get too technical here.

I press "power" on the remote, and the screen comes alive with a sign announcing that it is dialing "WebTV," to which I have just been subscribed at who knows what expense, and whammo! There I am on the Internet like a regular hacker.

This enables me to call up the New York Times home page and click to read my own column on the big screen.

I do not venture a whole lot further (you could fall off the Earth), but the notion strikes me that the computer on which I am writing this essay has a new competitor. For about $400, we instant cybernerds can "surf the Net" without a $2,000 computer, provided we are willing to block the rest of our family from watching television or using the phone.

The lessons here are that (1) reading one's column on the television screen is not much of a thrill after the first time; (2) refusing to be swamped with e-mail can now be done out of principle and not ignorance; (3) competing for the consumer's dollar is a powerful force for economic good.

Surely this latest gizmo will be leapfrogged by another carrier, just as broadcast television was leapfrogged by cable, which was leapfrogged by satellite, which is being leapfrogged by digital television.

Digital television, which used to be dreamed of as high-definition television, is the ultra-sharp picture you get when the old, beat-up analogue channel that broadcasters now use is split into a bunch of shiny new digital channels.

Now here is where competition comes in. Fat-cat broadcasters, who got the daddy channel free from the public, want to keep all the valuable progeny of that gift.

Those digital channels are worth tens of billions; indeed, when a nonbroadcast part of the spectrum was put up for bids, the U.S. Treasury received more money than from any auction in the history of the world.

Why not put those coming digital channels up at public auction? When Bob Dole suggested that last year, the broadcasters' lobby worked over every member of Congress to protect their giveaway. Trent Lott backed off, and Bill Clinton was not about to anger station owners who could affect his re-election.

But on Wednesday, as the new Congress convened, Senator John McCain, the Commerce chairman, met quietly with Representative John Kasich, the House Budget chairman, to discuss the "Dirty Dozen" — 12 corporate welfare items that ought to be knocked out of next year's budget to bring it toward balance. Dirtiest of the dozen was the proposed digital spectrum giveaway.

I spoke to both of these gutsy free-market Republicans. Mr. Kasich said, "I'm going to take a much closer look at the broadcast spectrum."

Mr. McCain went further: "I'm all for an auction. Could turn up $30 billion to $35 billion. But we're up against the power of the broadcasting lobby, and it's the strongest I've seen in Washington."

Mr. McCain is hopeful that the president will bite the bullet and include a broadcast spectrum auction in his budget proposal next month. The Federal Communications Commission's Reed Hundt should lean on his friend Al Gore to push it as a way to preserve Head Start and Medicaid.

This is not an issue that television network news will relish covering, nor is it likely to be reported on many local stations or in magazines and newspapers with broadcast interests. But perhaps some solons in both parties would be emboldened if given political cover from the president and a few outspoken, budget-hawkish Republican leaders.

Bring on the "Dirty Dozen," Mr. McCain and Mr. Kasich. Turn on your bosses, television reporters and editors. Together you can shame the president into taking a stand that upsets the media-politico complex. Then we can read all about it in big type on our television screens.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Alaskan Plaint

PARIS — A resident of Sitka wrote in a letter to *Zvet*: "When the Russian flag was hauled down in Alaska in 1867, there appeared an American order of things. The Washington Government promised all the inhabitants, especially Russians, freedom and the rights of citizens of the Republic. There was to be special protection for the Orthodox religion and telegraphic communication between Alaska and the whole world." But they were just words. The Americans concluded that it would be more profitable to hand over the development of the natural resources to a mercantile company, while drawing the company's tribute.

1922: Historic Pact

CANNES — The basis of future European politics is to be the Anglo-French alliance, which draft will be handed to M. Briand. It is a defensive agreement, designed to stabilise Europe and pave the way for an era of peace. In return for securing this pact, France agrees to co-operate with the British economic plans for Europe, meaning a dispassionate handling of Germany's reparations as part of the general European problem.

1947: Oil Contention

PARIS — France indicated that she was prepared to fight diplomatically to have the French shares in the Irak Petroleum Company reinstated. This company, operating in a region whose importance has mounted with reports that American reservoirs are being exhausted, was formed by international agreement in 1928. The French interests in the area were taken over by American and British operators during France's occupation by the Germans.

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OPINION/LETTERS

Paula Jones Can Wait For a Later Day in Court

By Richard Cohen

WASHINGTON — There is something about Paula Jones that drives men nuts. Journalists have accused one another of withholding or censoring her story, a Newsweek editor now admits to elitism for calling her a "sleazy woman with big hair" and the president, of course, is accused of losing his mind, his morals and his pants at little more than the mere sight of her.

Mrs. Jones, with her hair somewhat subdued, is back in the news — on Newsweek's cover actually. The peg is Monday's Supreme Court argument over whether President Bill Clinton deserves "temporary immunity" from her sexual harassment lawsuit on the ground that he is, after all, the president of the United States. The matter should be decided after Mr. Clinton leaves office, the president's lawyers argue, lest he and other presidents be inundated with civil suits filed for political reasons.

Mr. Clinton is accused of hitting on Mrs. Jones while he was the governor of Arkansas and she was a state employee. He is said to have spotted her as she manned a desk at the Governor's Quality Management Conference in Little Rock, Arkansas, and sent a state trooper, Danny Ferguson, to fetch her. She says — and Mr. Ferguson supports her — that the trooper brought her to Mr. Clinton's room.

What happened next is anyone's guess. Mrs. Jones says Mr. Clinton made advances and exposed himself. The president says that is nonsense and points out that Mrs. Jones, either out of conviction or naïveté, has allied herself with Mr. Clinton's bitterest political enemies.

Since that May day in 1991, the Jones lawsuit has become the stuff of legend and myth. Mrs. Jones herself has been likened to Anita Hill, the lawyer who accused Justice Clarence Thomas of harassment, with conservatives asking liberals why one is a heroine of the woman's movement and the other, so far, is not. The answer, of course, is simple: Bill Clinton is not, like Justice Thomas, a conservative ideologue. It is also said that the press — revolted by Mrs. Jones's appearance and the tawdriness of her story — has virtually ignored the poor woman. Not so. The Wall Street Journal, hardly an obscure publication, published excerpts of Mrs. Jones's complaint, and The Washington Post and The New York Times have mentioned the case in numerous stories. Her accusations *have* been reported.

And they are profoundly troubling. If true, they represent a virtual textbook case of sexual harassment, almost a parody of it. Here was the governor, the woman's boss, hitting on his employee, with the usual implied promises/threats of promotion or punishment. And Mrs. Jones, with her "trailer-park trollop" appearance, has the look of someone with "victim" written all over her — someone lacking the armor of education, wealth, connections that would make her more believable.

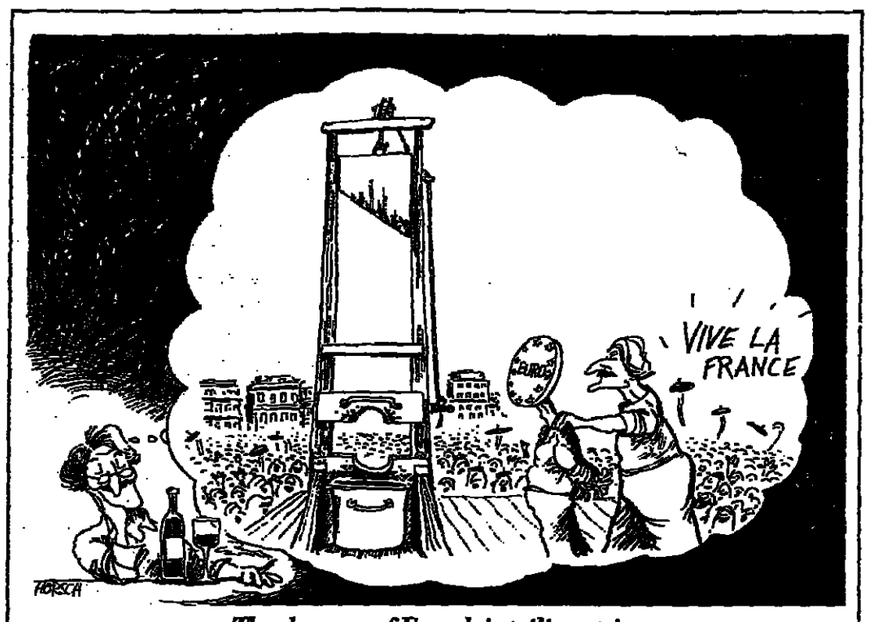
This case is serious. It is made even more so because the U.S. Army, of which Mr. Clinton is commander in chief, is in the throes of some messy sex scandals — drill sergeants and others sexually harassing recruits. Some of those accused of wrongdoing may wonder why they are having to face the music without delay while, up the ol' chain of command, their ultimate boss gets to waltz around his accuser for the next four years.

The answer, to quote at least two former presidents, is that life is not fair. The president remains the president, and while he should not be above the law, he also ought to be protected from capricious or politically inspired lawsuits while in office. Justice delayed is sometimes justice denied, but it's hard to make that argument in this case.

Mrs. Jones did not lose her job on account of what did or did not happen in that hotel room. Her salary was neither increased nor decreased and, in fact, she says she will not even keep any money awarded to her, should she win her suit. She seeks restitution of her good name — a name none of us would have heard of had she herself not brought this suit and announced it at a press conference. Even so, her quest is quixotic.

In the end, only two people know what happened that day in Little Rock, and their stories are not likely ever to conform. Mrs. Jones deserves her day in court — but not necessarily right away, and not if it means that presidents can be legally harassed by their political enemies.

The Washington Post.



The dreams of French intelligentsia

LETTERS TO THE EDITOR

Radio Free Asia

Regarding "Radio Free Asia Has Trouble Finding Its Audience" (Dec. 28):

As president of Radio Free Asia, I found this article inaccurate on several counts, beginning with the claim that Radio Free Asia's broadcasts are not being heard in China — a bewildering conclusion in light of the reporter's several communications with Daniel Southerland, our vice president for programming who provided details of the radio's monitoring network.

Radio Free Asia's signals are tracked daily by unmanned monitoring systems in Beijing and Shanghai, and by a manned monitor in Hong Kong. These reports show that our signal has been heard every day since its first broadcast Sept. 29. The monitor reports show that virtually every day the signal was rated "good" or "fair" in Beijing and Shanghai. Monitor reports also show that transmissions to Tibet, begun Dec. 2, have been routinely rated "excellent." In addition, letters and calls have been received from listeners in China verifying their ability to hear us regularly.

The reporter's other point involved our relationship to Dai Qing, a leading Chinese journalist whose thoughts on the Three Gorges Dam project were broadcast on Radio Free Asia. When Ms. Dai later indicated that she did not want to be part of further broadcasts, her wishes were respected. Radio Free Asia, despite the reporter's assertion, is indeed aware of the possible peril faced by Chinese contributors.

RICHARD RICHTER.
Washington.

Despite the negative tone of this article, the fact is that Radio Free Asia should have been started many years ago. It almost certainly requires more financing than it has, particularly for more powerful transmitters.

If some American diplomats are upset because the broadcasts may make their contacts with Chinese officialdom awkward at times, that merely illustrates their lack of understanding of the role of public diplomacy.

RALPH E. WALTER.
Munich.

Medical Marijuana

Regarding "Clinton Plan to Combat Laws Legalizing Marijuana Targets Doctors" (Dec. 30):

The article reports that the government's plan to fight the California referendum legalizing the medical use of marijuana "would threaten doctors with revocation of their federal registration and possible criminal prosecution if they prescribe the drug."

But under the law, doctors will not be prescribing or dispensing marijuana. Recommending marijuana for a patient is a communication to the state and local law enforcement authorities. It remains up to the patient to obtain the marijuana. How can that be a violation of prescription-writing rules? Since the federal government cannot legally move against the law or the doctors, the drug-warrior establishment is resorting to terror tactics.

GERALD M. SUTLIFF.
Walnut Creek, California.

When the minions of Bill Clinton say they will prosecute any doctor who suggests marijuana to patients, they make a mockery of the concept that government is "of the people and by the people." It confirms instead that what is legal and allowed is what the political rulers say it is, not what the people say it is.

WILLIAM W. MORGAN.
Burpham, England.

Bali Transvestites Dress In Ruling-Party Colors

By Margot Cohen

BALI, Indonesia — In high-heeled white pumps and matching white handbag, red lipstick and smoothly coiffed hair, Susan Tolany is ready to hit the campaign trail.

Her heart — or rather, his heart — belongs to Golkar, Indonesia's governing party. As head of the Bali chapter of a nationwide transvestites association, Susan Tolany is determined to do his/her part to ensure another landslide victory for the party in parliamentary elections next spring.

MEANWHILE

Given Golkar's recent overtures to Indonesia's Muslim majority, the Victor/Victoria approach may seem surprising. In fact, it is consistent with the party's strategy to solicit support from all sectors of society, not matter how marginal. In this vast archipelago of nearly 200 million people, every single vote counts.

Golkar first began wooing transvestites in the 1970's, through an affiliated social organization known by its initials as MKGR. Police raids on transvestite streetwalkers were known for turning violent, and after one jumped into a river and drowned trying to escape a beating, the MKGR decided it was time to extend a protective hand.

With the approval of President Suharto, a transvestites' association was formed in Jakarta under the MKGR umbrella. Seventeen chapters have so far blossomed across the country. The Bali chapter was formed in 1996 and Susan Tolany brims with fresh enthusiasm.

"Before, people treated us like garbage," said the hair salon owner. "Now we are acknowledged by the government. We're protected by law. We have gained some respect in the eyes of the public."

In recruiting members, Susan Tolany is careful to point out the advantages of holding an MKGR identity card. If the transvestites fall ill, the laminated card entitles them to hospital insurance. (Sex-change operations, however, are not covered.) If they run into police harassment, they whip out the card and tensions ease. "I always tell my friends, 'Don't leave home without it,' " Susan Tolany said.

With weekly dues set at just 1,000 rupiahs (about 40 cents), the MKGR also provides a barrel or two of fun, in the form of beauty contests, volleyball games and band practice. It also provides an informal employment network in the catering and garment industries, with the aim of rescuing newcomers from the flesh trade.

As elections approach, Susan Tolany is crisscrossing cities and towns in Bali searching for transvestites who have yet to sign up. The chapter has already attracted 200 members, but Susan Tolany estimates at least 300 more votes beckon.

To canvass the countryside without attracting too much attention, Susan Tolany participates in party functions held by the women's chapter of the MKGR. Few of the members appear perturbed by a transvestite among the ranks; some even want advice.

"They often ask me what they should do to keep their husbands from turning to other women," Susan Tolany said.

Clearly, the transvestites themselves are expected to remain faithful to Golkar. Considering the benefits provided by the MKGR, "we wouldn't think of straying," Susan Tolany insisted. After all, what have the other two legally authorized political parties in Indonesia done for them lately?

On the other hand, a little positive reinforcement couldn't hurt. The Bali chapter is pushing for a special polling place — in a local Golkar office or the local MKGR secretariat — so that members can cast their ballots en masse.

So beneath the pancake make-up, it seems that Indonesia's transvestites have something in common with millions of fellow citizens. Under President Suharto's government, civil servants vote in the office, factory workers at the plant and employees at the workplace — all under the supervision of their bosses.

Some people wish that Election Day would be declared a holiday, so they could vote in their home districts. It might not be as radical as a sex change, but it could alter Indonesia's political complexion.

The writer, a journalist based in Jakarta, contributed this comment to the International Herald Tribune.

BOOKS

SIMON WIESENTHAL: A Life in Search of Justice

By Hella Pick. 349 pages. $29.95. Northeastern University Press.

Reviewed by Glenn Frankel

ONE afternoon in September 1944, a German concentration camp guard named Merz takes Simon Wiesenthal, one of his Jewish prisoners, to scavenge the countryside for potatoes. As Hella Pick recounts in her new biography of Wiesenthal, Merz surprises his prisoner during a break by asking, "Suppose you were taken on a magic carpet to the United States, what would you tell them? How it was in the concentration camps? How they treated the Jews?"

Wiesenthal is aware that the wrong answer might get him shot, but he finally replies, "I believe I would tell the truth."

Merz's response: "They would think you are crazy. They would never believe you."

By a series of small miracles, Simon Wiesenthal survived the war, and his subsequent life as Holocaust archivist and Nazi hunter has been one unceasing attempt to make the world believe the unbelievable.

In his pursuit of war criminals ranging from the master engineer of the killing machine, Adolf Eichmann, to the lowliest brutal camp guard, Wiesenthal has followed the principle that guilt is individual rather than collective, that each person must be accountable for what he or she did, and that each should be dealt with by legal means and not by acts of retaliation or revenge.

Wiesenthal, who is now 87, has won fame and acclaim in the West and has even been portrayed as a heroic character in two Hollywood movies: "The Odessa File" and "The Boys from Brazil."

Closer to home, however, he has always been under attack. Political leaders in his adopted homeland of Austria have reviled him for pursuing former Nazis in their ranks. Communists have falsely accused him of being an American agent.

But the criticism that has hurt most has come from fellow Jews.

Other Nazi hunters belittled his role in the hunt for Eichmann, and leaders of the World Jewish Congress have accused him of covering up Austrian president Kurt Waldheim's Nazi past.

Wiesenthal's towering ego, hypersensitivity to criticism and inability to work with others have not helped his cause.

Now comes Pick, former diplomatic editor of the Guardian newspaper in London and herself a Jewish refugee from prewar Austria, with a book that sorts through the arguments and the accusations.

She writes that she began as a neutral observer but gradually became persuaded that, warts and all, Wiesenthal is a unique hero. Her careful marshalling of the evidence and her unadorned and judiciously plodding prose style help persuade us of Wiesenthal's virtue and integrity.

Pick retells the remarkable story of how Wiesenthal survived 13 concentration camps, a half-dozen escape attempts, near-fatal injuries and illnesses and a failed suicide attempt. When liberated he weighed 99 pounds. After the war, his photographic memory and sense of mission made him an invaluable resource for American war-crimes investigators. But Wiesenthal quickly decided to set out on his own, gathering witnesses' accounts, compiling lists of war criminals and pressing the German, American and Israeli authorities for action.

AFTER others lost the scent, Wiesenthal persisted in keeping track of Eichmann's family, preventing his wife Vera from having him declared dead in 1947 and deducing correctly in 1953 that Eichmann had fled to Argentina. Despite the claims of Isser Harel, then-chief of Israel's Mossad intelligence agency, that Wiesenthal's contributions were useless, Pick concludes that he laid some of the important groundwork for the Mossad manhunt that led to Eichmann's capture and execution.

The dispute over Waldheim was even more corrosive. Wiesenthal insisted that while Waldheim was a "world-class liar" and Nazi collaborator, there was insufficient evidence to charge him with war crimes. The World Jewish Congress, which led the assault on Waldheim, contended that Wiesenthal was merely covering up his own incompetence because he had given Waldheim a clean bill of health in 1979 when he was asked informally by Israeli friends to look at Waldheim's war record in the then-Yugoslavia.

Pick concludes that Wiesenthal should have dug deeper in 1979 and that his later stubbornness may have stemmed from pride as well as from a long-standing feud with the WJC. But she exonerates him from the charge of coverup. She supports his conclusions that the WJC's evidence fell short of proving war crimes, that the Yugoslav documents it relied upon were of dubious validity and that its campaign against Waldheim was counterproductive because it fanned the flames of Austrian xenophobia and anti-Semitism and helped guarantee Waldheim's election as Austrian president.

Pick's calm, measured conclusions are unlikely to be the last word. She argues convincingly that Wiesenthal deserves better than the vituperation that the World Jewish Congress has showered upon him, despite his mistakes in judgment and his ego. She concludes that he played a major role in forcing world leaders and public opinion alike "to confront the memory of the Holocaust as a means of cleansing the moral fabric of present and future generations."

Glenn Frankel is former Jerusalem bureau chief for The Washington Post.

BRIDGE

By Alan Truscott

Question: If you spend your working life extracting teeth, and your spare time extracting trumps, what do you do when you retire? The answer, judging by Dr. Albert Sunshine of Jamesport, Long Island, is that you become an American Contract Bridge League accredited teacher and instruct others to extract trumps, and in other ways learn the elements of bridge.

On the diagramed deal from the Long Island Regional Championship in Smithtown, Long Island, Dr. Sunshine found himself in the uncomfortable contract of five diamonds redoubled. Whether the bidding of his wife, Victoria, who raised three diamonds to five diamonds and then redoubled, should be described as rash or optimistic hinges on the outcome of the play.

If East had opened with a weak two-bid in spades, as one would expect, West would have led that suit and the contract would probably have failed. As it was, West led the heart ten, giving South a useful clue: the heart queen was probably on his right, since most players tend to avoid leading from a queen and some, by agreement, do not lead the ten from Q-10-9.

The double suggested that West held the ace and queen of trumps, so South won with the heart king in his hand and led the diamond king, giving up the normal diamond finesse. When West took the ace and led a low heart, South put up the ace and was rewarded by the appearance of the queen on his right.

A second trump lead drove out the queen, and East was unable to ruff when his partner led the heart nine. South won with the heart jack, ruffed a spade, drew the missing trump and played clubs. When the jack fell conveniently he had 11 tricks, making his redoubled game.

"You are an optimist, my dear," he informed the dummy in the post-mortem.

NORTH
♠ J 10 7 6
♡ A J 7 6
♢ 6 5
♣ A K Q

WEST
♠ Q 9 2
♡ 10 9 8 4
♢ A Q 2
♣ J 6 5

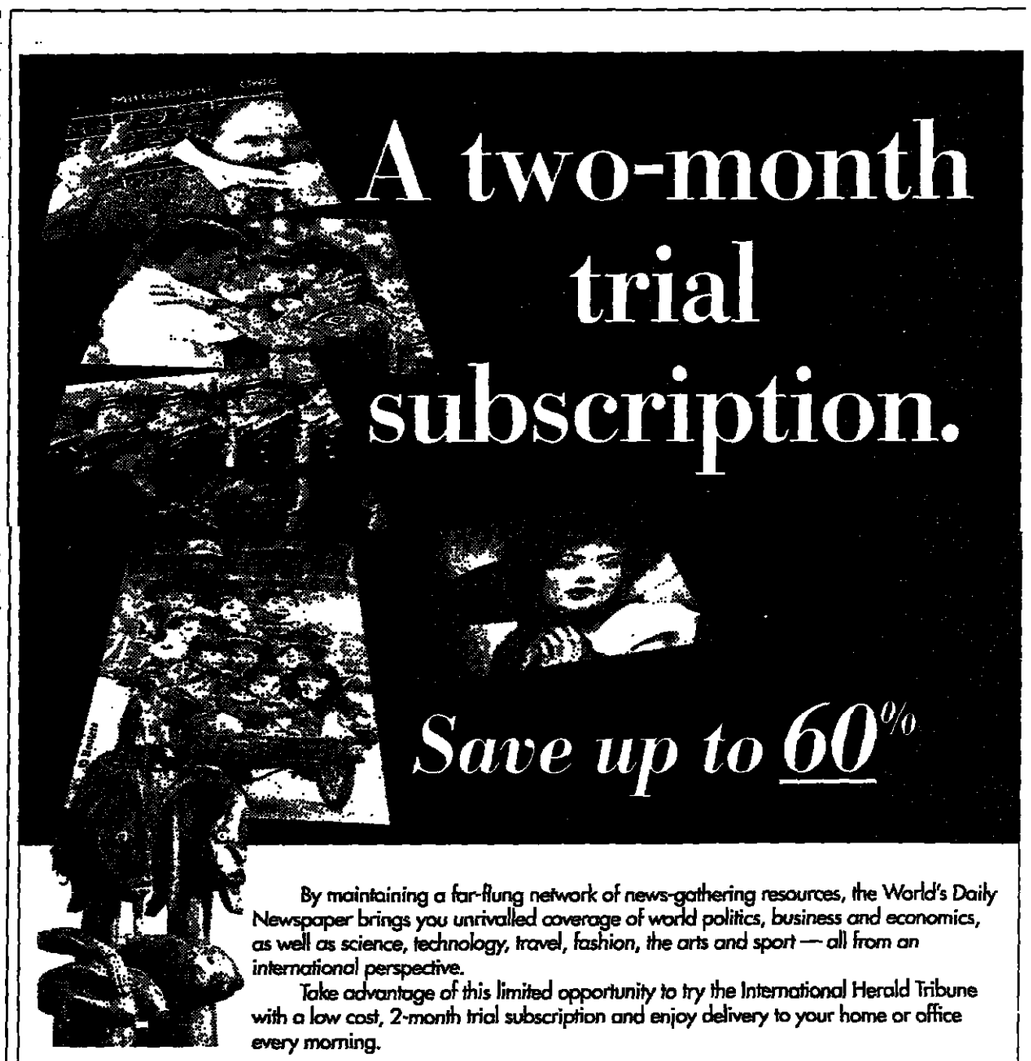
EAST (D)
♠ A K 8 5 4 3
♡ Q 5
♢ 9 7
♣ 9 4 3

SOUTH
♠ —
♡ K 3 2
♢ K J 10 8 4 3
♣ 10 8 7 2

Neither side was vulnerable. The bidding:

East	South	West	North
Pass	3 ♢	Pass	5 ♢
Pass	Pass	Dbl.	Rdbl.
Pass	Pass	Pass	

West led the heart ten.



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Lingering Snags on Hebron Accord Hold Up Israeli-Palestinian Summit

Compiled by Our Staff From Dispatches

GAZA CITY — Stubborn differences over a Hebron accord held up moves for a meeting of the Israeli and Palestinian leaders Thursday, despite new urgency given to concluding a deal by a shooting spree in the volatile city the day before.

President Bill Clinton's Mideast's envoy, Dennis Ross, met with the Palestinian leader, Yasser Arafat, to try to bridge the gaps and arrange a meeting with Prime Minister Benjamin Netanyahu of Israel, but he apparently fell short.

"We have not solved all the remaining issues that still have to be resolved before having an agreement," Mr. Ross said after the meeting here. "We are continuing to work through the problems."

Mr. Arafat said after the talks that the meeting with Mr. Netanyahu had not been set. He added, however, that the two sides would meet "when the matters are completed and the talks finish and when we get close to the final agreement, which will be soon."

Before the meeting, the Palestinian information minister, Yasser Abed Rabbo, said there were "obstacles in the heart of the agreement," and Palestinian negotiators said Thursday that they would not sign any accord until Mr. Netanyahu committed himself to a detailed timetable for further troop withdrawals in the West Bank.

Mr. Netanyahu has told the Palestinians that the so-called "further redeployment" would begin within six weeks of the signing of a Hebron agreement, but he has not said by when it would be completed.

Jamil Tarifi, a Palestinian negotiator, said that the "most important thing for us are dates for the second and third stages of redeployment" in the West Bank.

Hopes for a meeting Thursday had been raised after a marathon negotiating session the previous evening in Tel Aviv attended by Mr. Ross and led by the Israeli defense minister, Yitzhak Mordechai, and Mr. Arafat's No. 2, Mahmoud Abbas.

Heading into the session, Mr. Abbas had predicted a signing "within 24 to 48 hours, if there are no bad surprises." But after that meeting, Mr. Mordechai said that while there was "agreement on the large majority of clauses," there were "still one or two which will be discussed Thursday by Netanyahu and Arafat."

David Bar-Ilan, Mr. Netanyahu's spokesman, accused the Palestinians of "stalling" in the negotiations because "they feel that the situation of no agreement favors them and is detrimental to us."

Israel and the Palestinians have been wrangling since Oct. 6 over a formula for a Hebron handover after Mr. Netanyahu's government demanded stronger guarantees for the 400 Jewish settlers who live among the city's 120,000 Palestinian residents.

Both sides underlined the need for a quick resolution of the talks after a rightist Israeli soldier opened fire on a crowded market in Hebron on Wednesday, wounding six Palestinians, in an effort to torpedo the accord.

Mr. Netanyahu called Mr. Arafat immediately afterward to condemn the attack, insisting the two sides had to reach a deal on Hebron. Mr. Clinton also called Mr. Arafat to urge him to "bear down and get it done with."

Under the 1995 Oslo accords, Israel was to pull its troops out of 85 percent of Hebron, the last major West Bank town under Israeli occupation, to allow Palestinian police to take their place and bring Palestinian administration over the entire city.

In addition to demands for an Israeli commitment to conduct more army redeployments from West Bank rural areas, talks have stuck over Palestinian demands for a role in guarding the Tomb of the Patriarchs, Hebron's central holy site.

The Israeli internal security minister, Avigdor Kahalan, also cited problems previously said to be closed, including Palestinian demands to reopen a main street running directly in front of another Jewish settlement that has long been closed by the army, and over security for Tel Rumeida, an enclave of seven Jewish families on one of Hebron's hills.

The United States said Thursday that it had received threats of increased terrorist attacks over the next two weeks in Israel and the West Bank, and warned Americans there to exercise caution.

"There are indications of an increased likelihood of terrorist attacks over the next two weeks. U.S. citizens are advised to exercise caution in public areas, to avoid travel on public buses, to avoid congregating at bus stops," said the State Department spokesman, Nicholas Burns. *(AP, AFP, Reuters)*

Nayef Hashlamoun/Reuters

A Palestinian in Hebron arguing Thursday with an Israeli settler in the West Bank city a day after an off-duty soldier opened fire on Arab shoppers in a market, wounding seven, in hopes of scuttling a pullout accord.

Soldier in Hebron Attack Sought to Avenge Deaths

By Joel Greenberg
New York Times Service

JERUSALEM — As new details emerged Thursday about his unstable emotional past, the soldier who shot up a Hebron marketplace Wednesday told investigators that he wanted to avenge the killing of a classmate kidnapped by Palestinians and the deaths of the militant Rabbi Meir Kahane and Baruch Goldstein, a Jewish settler who killed 29 Muslims at prayer in Hebron in 1994.

The police said they had arrested a second soldier in connection with the market shooting on suspicion of conspiracy and failure to prevent a crime. The soldier, Yuval Jibli of Jerusalem, served on the same base with Noam Friedman, the conscript who opened fire Wednesday and wounded seven people.

In separate court hearings Thursday, both soldiers were ordered held in custody pending further investigations by the police.

Brought before a judge in the town of Petah Tikva, Private Friedman repeated earlier assertions that he had acted to prevent an expected agreement on an Israeli Army withdrawal from most of Hebron.

Manacled and wearing a black skullcap, Private Friedman declared: "When I heard that the agreement was about to be signed to surrender the holy city bought for 400 shekels of silver by our forefather Abraham, I decided that this can't be passed over in silence."

According to Biblical accounts, the Jewish patriarch, Abraham, bought a burial plot in Hebron for his wife, Sarah, and was later buried there, along with his sons, Isaac and Jacob, and their wives. The Tomb of the Patriarchs shrine in Hebron, holy to Muslims and Jews, is the traditional site of their graves.

The police said that Private Friedman had told investigators that he acted to avenge the death of Corporal Nahshon Waxman, a soldier kidnapped in October 1994 by militants from the Islamic movement Hamas and killed during a failed rescue attempt.

The two soldiers had studied at the same religious high school in Jerusalem.

Sven Nackstrand/Agence France-Presse

Noam Friedman smiling as he sat in a police car after the shooting.

and Private Friedman visited the bereaved family a few times after Corporal Waxman's death.

Yehuda Waxman, the dead soldier's father, recalled Thursday that Private Friedman, then a civilian, had appeared very upset and had warned that the Palestinians were going to bring on another Holocaust.

"He was very agitated by Nahshon's murder," Mr. Waxman said. "He was very concerned about the attempts to compromise with the Palestinians. He had a fear that the Palestinians were going to take over, that we would lose the country and go into exile. He expressed feelings of revenge, and said that they can't do this to us, that the terrorism always comes from one side. I tried to calm him down."

The police said Private Friedman had also told them that he had wanted to avenge the death of the militant anti-Arab rabbi, Meir Kahane, who was assassinated in New York in 1990.

U.S. Poised for Decision on Land Mines

Supporters of Ban Fear Clinton Will Opt for Slow Track to a Treaty

By Dana Priest
Washington Post Service

WASHINGTON — The international campaign to ban anti-personnel land mines is at a crossroads, and President Bill Clinton will probably determine which way it goes.

Mr. Clinton is set to decide whether to join several dozen countries led by Canada that will begin next month to craft an international treaty banning the use, export, production and stockpiling of anti-personnel mines. Although China and Russia say they will not sign the pact, supporters of the treaty say that it would be a quick first step toward an eventual worldwide ban of the weapons, which are estimated to wound or kill 500 people each week.

The alternative for Mr. Clinton is to adopt a slower approach supported by the Pentagon and many in the White House. It calls for negotiating a ban through the United Nations Conference on Disarmament in search of a broad consensus shared by Beijing and Moscow, even though that is likely to take years to achieve.

About 50 countries have expressed initial support for the faster Canadian effort, known as the Ottawa Conference. Backers include some nations with the biggest land-mine problems, like Afghanistan, Angola and Cambodia.

The goal is to write a legally binding treaty that would be signed in December by as many countries as possible. Supporters hope that the agreement will stigmatize the weapons and that other countries eventually would feel compelled to sign, too. A first working session is set for February in Vienna. Belgium, Norway and Switzerland have offered to sponsor follow-up meetings.

Supporters of the treaty say that if Washington bows out, the pressure to participate will be off other wary countries, like Britain and France.

"What we're trying to do here is not capture the entire world, but establish a moral authority," said Robert Lawson, a top Canadian disarmament official.

The second track through the Conference on Disarmament, a famously slow international body, aims to create a ban that all member countries would sign. Critics and supporters alike acknowledge that it could take years to reach even a narrow agreement.

The Clinton administration is split on the subject, "in introspective disarray," as one disarmament official put it.

Some in the State Department favor lending U.S. prestige to the Canadian effort. But Mr. Clinton in the past has taken his cue on the issue from the Pentagon, which favors the slower approach.

Members of the National Security Council are said to be leaning toward the Pentagon's position. But a high-ranking council official suggested in an interview that it might be possible to pursue both tracks simultaneously by giving rhetorical support to the Ottawa Conference without committing to sign a treaty.

The nongovernmental organizations that have led the international campaign fear that a two-track strategy by the United States would be harmful.

"This is a humanitarian crisis, yet the U.S. is poised to make a policy decision that will slow down the momentum," said Stephen Goose, director of a Human Rights Watch arms control project.

There are an estimated 110 million land mines in the ground in 64 countries, and most of their victims are civilians. Land mines are popular among armies and insurgencies because they are cheap to buy but expensive to clear.

In May, Mr. Clinton endorsed the Pentagon-backed status quo position. It banned older "dumb" mines, except in the demilitarized zone between North and South Korea.

Although an immediate ban on all anti-personnel mines was endorsed by 15 retired generals, including General Norman Schwarzkopf, commander of U.S. troops during the Gulf War, Mr. Clinton followed the Pentagon's lead. Critics accused him of not wanting to rebuff the Defense Department during an election campaign.

Key commanders, who dominate the Pentagon's thinking on the issue, want a worldwide ban on the newer, self-destructing "smart" mines before agreeing to give them up. They argue that mines are crucial in "channeling" enemy troops and are an irreplaceable early warning against enemy approaches.

HEBRON: *Peace Process Survives Attack*

Continued from Page 1

mander long imprisoned in and then expelled from Israel, Mr. Rajoub was a regular devil figure in Mr. Netanyahu's campaign rhetoric.

Mr. Netanyahu accused two former prime ministers, Yitzhak Rabin and Shimon Peres, of "subcontracting Israel's security" to "thugs" and "terrorists" like Mr. Rajoub, who runs the Palestinian Preventive Security Service in the West Bank.

On Wednesday, Mr. Netanyahu's government did just what its predecessors did.

In the aftermath of Mr. Friedman's attack, the army and Shin Bet internal security service worked closely with Mr. Rajoub, inviting him to set up a command center in Hebron's Alia Hospital with Tariq Zayad, the designated police chief for Hebron after Israel's withdrawal, and the Palestinian Army commander, Abdel Fatah Jawadi.

Mr. Rajoub made sure he was seen in public working with Major General Uzi Dayan of the Israeli Army and Ami Ayalon, the Shin Bet chief, to calm the city.

According to Palestinian and Israeli sources alike, he sent plainclothes agents throughout the city to instruct stone-throwing youths to go home, and Mr. Jawadi personally sped to the scene of one riot to defuse it.

Mr. Netanyahu had the advantage of knowing that there was no Netanyahu in opposition — no mainstream leader to his right who would condemn him, as he condemned Mr. Rabin and Mr. Peres, for reckless reliance on Arabs instead of on Israel's own might.

A similar immunity permitted him to phone Yasser Arafat and condemn Mr. Friedman's shooting as a criminal act.

He used language that drew explicit parallels between Jewish and Arab terrorism, a comparison he has not uttered before, and he also spoke a formula he had ridiculed when offered by his predecessors. "No crime and no act of violence," he said, would deflect his government from negotiating peace.

Mr. Arafat, for his part, resisted many temptations Wednesday.

Mr. Friedman's attack took place on the anniversary of the founding of Mr. Arafat's faction, Fatah, of the Palestine Liberation Organization. Parades planned for the occasion, throughout the West Bank and Gaza Strip, were a ready-made occasion for fervent nationalism, and it would not have taken many hints from Mr. Arafat to turn them violent.

But Mr. Arafat chose not to speak at all at Gaza's parade, where he was the featured orator last year.

Further, Palestinian radio and television featured Mr. Netanyahu's apology for the attack.

Mladen Antonov/Agence France-Presse

Demonstrators in Belgrade talking with an opposition leader, Zoran Djindjic, right, during a rally Thursday.

BELGRADE: *Church Speaks Out*

Continued from Page 1

losevic's style of leadership from other Yugoslav institutions, including the army and the courts. In the opinion of many analysts, the only institution left that is vital to Mr. Milosevic's hold on power is the 80,000-strong police force, which is well-trained and disciplined.

"Milosevic has purposefully destroyed every authority and every institution in the country, with the exception of himself," said a former government official. "He has killed the middle class, the church, the media, the Academy of Sciences, the university, the army, the Supreme Court. He is the sole authority left."

■ Opposition Weighs New Tactics

The opposition leader Vuk Draskovic indicated that new ways of conducting the protests may be announced in the coming days. The Associated Press reported from Belgrade.

"Our battle for a democratic Serbia is entering a final phase," Mr. Draskovic said. "We won't be demonstrating on streets forever." He called on people to stage smaller rallies "behind the police cordons" because "the next few days will be crucial for our decisive battle."

Zairian Rebels Capture Key Town As Regime Vows Counteroffensive

Compiled by Our Staff From Dispatches

BUNIA, Zaire — Rebels seized the strategic town of Bunia in northeastern Zaire and nearby gold mines in a fierce battle with government forces that left hundreds dead, residents said Thursday.

"The fighting was terrible and there were bodies all over the streets," said a teacher, Pierre Lolo. "Those of us who had not already fled to the forest had to stay in our homes."

The city fell to the rebels, who are trying to carve territory out of the east, after a 12-hour battle on Dec. 24. The rebels said 307 government soldiers were killed while their own forces sustained 75 casualties.

Meanwhile, the government of Marshal Mobutu Sese Seko announced plans to rally the armed forces for a quick counteroffensive against the rebels, who have captured a large swathe of territory.

The eastern Zairian provinces of North and South Kivu have been in the hands of Tutsi-led rebels for two months.

The chief of the general staff will be granted "all necessary strategic and logistical means to carry out the counteroffensive by the Zairian armed forces in the shortest possible time," Defense Minister Likulia Bolongo said in a statement.

The statement made available to Agence Zaire-Presse said the counteroffensive would be "sweeping and crushing, without sparing any Zairian or foreign perpetrator who connives with the enemy." *(Reuters, AFP)*

New UN Chief Starts Assembling His Staff

Reuters

UNITED NATIONS, New York — In his first day as UN secretary-general Thursday, Kofi Annan of Ghana announced provisional appointments to his executive office, with Iqbal Riza of Pakistan named as chief of staff.

Mr. Riza was a peacekeeping official from Pakistan and is a former UN representative to Bosnia. In addition, Rolf Knutson of Sweden, director of political affairs, and Patrizio Civili of Italy, director of economic and interagency affairs, were appointed to the executive office. They both worked for Mr. Annan's predecessor, Boutros Boutros Ghali.

Mr. Annan also named two executive assistants, Elizabeth Lindenmayer of France and Shashi Tharoor of India.

A spokesman, Fred Eckhard, said the new secretary-general was also considering appointing a deputy.

NATO: *In Hungary, Army Officers Are Learning the Western Way*

Continued from Page 1

cluding the chief of staff, General Ferenc Vegh, have gone to Britain, Canada, Germany or the United States for lengthy stints of study.

Considerable resources have been poured into English instruction, as well. In one innovation, Hungarian teachers of Russian were sent to the Defense Department English Language School in San Antonio and converted into English teachers.

General Vegh, 48, typifies what NATO and Hungarian officers hope will be a new breed of commander.

Trained at the Military College of Tank Units in Moscow in the late 1970s, General Vegh was sent to the Army War College and graduated in 1993, a year earlier than Colonel Nagy.

"The beauty of Ferenc Vegh is that he was trained on both sides," said an American military officer.

Adapting to true American style, General Vegh sent around a vision statement for all 72,000 members of the armed forces (down from 150,000 in 1989 and heading for 60,000 in 1997). The statement read right out of the textbook on Western management: "In the case of officers, warrant officers and noncommissioned officers, I consider commitment, knowledge, creative thinking, self-development, morality, strong mind, example-setting and healthy lifestyle to be basic values."

The general is also stunningly frank. Downsizing, lower pay, poor working conditions and lack of public respect for the military have severely affected morale. Those left in the army, he wrote, are "becoming more and more apathetic."

He also made his debut by unveiling a new slimmed-down command structure based on the American Joint Chiefs of Staff system. A 2,000-member top staff is to be trimmed to 600 soldiers, he announced. He then designated Colonel Nagy's 25th Mechanized Brigade to be the first Hungarian brigade to be NATO-ready.

By January 1998, Colonel Nagy and his men are supposed to be prepared to go on a NATO mission.

In Colonel Nagy, General Vegh chose an officer fascinated with the American military. On his bookshelves the colonel has a well-thumbed copy of "The Commanders" by Bob Woodward. A biography of President Franklin D. Roosevelt rests among a model of an Abrams tank and other American military equipment.

Before forming his brigade out of the shards of a much larger Hungarian unit, headquartered in Tata, 80 kilometers (50 miles) west of Budapest, Colonel Nagy said he went to one of the NATO bases in Germany, talked structure for a week and then modeled his brigade on what he had seen.

LEISURE

A Woman and the Sea: Not a Figurehead on the Tall Ships

By Ken Ringle
Washington Post Service

CHARLOTTE AMALIE, U.S. Virgin Islands — In late November, while most of her relatives were easing into holiday comforts, Alix Thorne was thrashing to windward along the north coast of Puerto Rico with a schooner full of sick shipmates — hauling ropes, wrestling topsails in the rain and mucking out the occasional marine toilet.

It was not the obvious holiday routine for one of the country's wealthy blue bloods — a descendant of Vanderbilts, Biddles, Drexels and Devereux.

But then Thorne doesn't have the most obvious workweek, either. For the past two years the 47-year-old has spent most of her life as a paid tall-ship deckhand — on round-the-clock watches at sea, splicing line, swabbing decks and performing the vertigo-defying chores aloft that have been terrifying and challenging sailors since the age of exploration.

"Actually, the best description is in my son's college entrance application essay," she said on a break below decks in the schooner Harvey Gamage. "'Whenever my mother has trouble with men, she runs away to sea,' he wrote. 'Lots of boys have gone to sea with their fathers, but I'm probably the only kid in the world who has furled a topgallant sail 100 feet off the deck of a square-rigged ship in a gale with MY MOTHER.'

"If that doesn't get him into Princeton, nothing will."

While plenty of women crew and even skipper traditional sailing ships these days, Thorne is unique on several counts. For one thing, she's more than twice the age of most of her shipmates. For another, few others choose the muscle-wrenching subservience of a deckhand's life when they can afford to — or in Thorne's case, do — own their own ship.

"I have my master's certificate for 100-ton vessels, as well as Coast Guard licenses, as a mate and able-bodied seaman. I've sailed my own yachts and could probably qualify to skipper any of these ships, but frankly that's not what I find the most rewarding. There's something profoundly challenging and meaningful in the teamwork of crew life on sailing ships that's hard to explain if you've never experienced it."

NoSlack for Anyone

"Nobody cares how old you are. Nobody cares who your family is or how much money you have. Nobody cuts you any slack. You either can do this very physical, very demanding work and stand your watches and do your part or you can't. If you can you're accepted, and you learn a great deal about yourself in the process. If you can't or won't, you're very quickly off the ship."

It might have been awkward for Captain Ken Neale to eject Thorne from the Harvey Gamage. After all, she owns the ship. She and her husband bought the 130-foot (40-meter) schooner to help keep alive the sort of life and skills she treasures.

Her nonprofit foundation runs the Gamage as a school ship, on which young people spend a semester working before the mast, learning math through navigation, learning history and languages through travel and learning about life on the high seas. But she herself is infrequently aboard.

Immediately before her busman's holiday in the Caribbean, she had labored nine months straight as a paid seaman on HMS Rose, a 179-foot reproduction of an 18th-century square-rigger that plies the Atlantic as one of the most demanding sailing vessels afloat.

With her crew knife and marlinespike sheathed on her hip, with her blond hair, deep tan and muscular body, Thorne so enthralled French journalists at a tall-ships festival last summer in Brest that they made her a sort of nautical centerfold of one of the festival magazines. But Thorne is nobody's boat bunny. In addition to her chores as a crewman, she serves as a director of the American Sail Training Association and manages the $400,000 annual budget of the nonprofit Harvey Gamage Foundation.

SHE spent part of the Christmas holidays in a shipyard working on the reproduction of the HMS Bounty that Marlon Brando sailed in "Mutiny on the Bounty."

It wasn't that long ago when women were considered bad luck on most working sailing ships and even aboard many yachts. Growing up in Old Westbury, Connecticut, Alexandra Tower Thorne remembers seeing the entire Maine schooner fleet anchor off her family's summer home in Islesboro, Maine, on Friday nights, "but they didn't hire girls as crew."

In 1985 somebody got in touch with her about a fund-raising project. Corpus Christi wanted to sponsor a visit by the Elissa, a lovely square-rigged ship then in the final stages of a $4 million, 10-year restoration in Galveston. The plan was to finance the Elissa's trip to New York for the 100th anniversary of the Statue of Liberty in 1986.

"I threw myself into the project right away, and raised about $200,000 in solicited gifts, including the first $50,000 of seed money," she remembers. "I worked very hard and was rewarded with a chance to sail on the trip as part of the crew."

INITIAL SUSPICION But she was initially looked upon with a bit of suspicion, she says: Most of the other crewmen were "dirty hands" volunteers who had worked on the ship during her long rebirth. Thorne was a latecomer and a fund-raiser, and "it was natural for them to think I might be some kind of dilettante who had just bought my way on board."

To fight that perception, she says, she undertook all sorts of prevoyage chores. "I realized later that they were giving me the dirty work nobody else wanted to do, like being hoisted up the mast on a bosun's chair to tar the rigging. But I found I really loved things like tarring the rigging. I had always disliked domestic chores like cleaning house, but aboard a sailing ship the same sort of thing seemed curiously satisfying. It was more personal. And furling a topgallant sail offshore I could say, 'This is really the way it was. Now I am living the life I always wanted.'"

Ken Ringle/The Washington Post

Alix Thorne on the bowsprit as she furls the jib on the Harvey Gamage.

MOVIE GUIDE

The Portrait of a Lady

Directed by Jane Campion. New Zealand, U.K., U.S.

Vivacious, pretty, intelligent and charming, Henry James's heroine Isabel Archer (Nicole Kidman) has a bevy of admirers, as did the author's cousin Minny Temple, who inspired the fictional character and died of tuberculosis at 24. So determined is Isabel to make her own way in life that she turns down an American dream proposal from eminently suitable and bankable Lord Warburton (Richard E. Grant). After inheriting a fortune of her own from her uncle Mr. Touchett (John Gielgud), Isabel goes to Italy where, with some prompting from her sinister new friend Madame Merle (Barbara Hershey), she falls into the clutches of the dilettante, manipulative scoundrel Gilbert Osmond (John Malkovich), who marries her for her money. Osmond's vile treatment of Isabel and his illegitimate daughter, Pansy (Valentina Crevi), and Isabel's determination to remain loyal nonetheless, form the heart of James's drama. Campion, whose "An Angel at My Table" and "The Piano" established her international reputation, has clearly approached this adaptation of James's classic early novel, expensively shot on location in England and Italy, with tremendous earnestness, preserving much of James's dialogue. What they have failed to convey on film is the author's subtle and gripping psychological analysis. Consequently, we simply don't get to know Isabel sufficiently to understand what makes her tick, and ultimately remain baffled as to how she could have fallen for such an obvious phony and rotter as Osmond in the first place. Also alienating are the overused gloom-laden lighting effects, gimmicks such as slow-motion, and a cringe-making, anachronistic fantasy sequence where Isabel's suitors make love to her simultaneously, which uses special effects reminiscent of "Ghostbusters."

(Roderick Conway Morris, IHT)

Michael

Directed by Nora Ephron. U.S.

John Travolta may be the only Hollywood star these days who can pull a movie out of a hat and make it dance on the head of a pin. And in Nora Ephron's winsome, wafer-thin comedy, "Michael," his portrayal of a mischievous angel with the appetites of a trucker and the table manners of a 2-year-old puts the film on on its toes and sets it spinning. The character, a self-described archangel named Michael who is first encountered by a trio of journalists in an Iowa motel, makes one of the year's more memorable movie entrances. With a cigarette dangling from his mouth, his cumbersome angel wings looking sadly bedraggled, he plows into a bowl of breakfast cereal on which he has heaped enough sugar to send most ordinary mortals into shock. Michael is, in short, the impishly grinning slob that many of us would like to be if we thought we could get away with it. Pure id, with a streak of the practical joker, he also has a redeeming heart of gold. Three of the angel's breakfast companions — Quinlan (William Hurt), Huey (Robert Pastorelli), and Dorothy (Andie MacDowell) — are representatives of a sleazy tabloid called The National Mirror and have flown all the way from New York, dollar signs dancing in their heads, to see if he's for real. The fourth, Pansy Milbank (Jean Stapleton), is the motel proprietor who tipped them off. Like Ephron's blockbuster hit, "Sleepless in Seattle," "Michael" uses pop songs with an unusually astute sense of how to underline a moment. Willie Nelson singing "What a Wonderful World," Bonnie Raitt doing "Feels Like Home," Van Morrison's "Bright Side of the Road" and Randy Newman drawling a witty "Heaven Is My Home" are among the numbers that give the movie a smart pop gloss. But it is Travolta who gives the movie a heart that it probably wouldn't have were any other actor to play the role. Well, maybe Tom Hanks. *(Stephen Holden, NYT)*

RECORDINGS

JOSHUA REDMAN "Freedom in the Groove" (WB): Is Redman going into a deeper groove or is he just getting more commercial? One way or another, something is obviously up. Spotless funk? His coherent and flawlessly executed compositions are still free enough to keep you guessing. The improvisations are at the same time simpler and more ambitious than in the past, and cliché-free for a change. Go figure.

PAUL DESMOND The Ballad of Paul Desmond (BMG/France): With his brilliant, self-deprecating sense of humor, the late altoman Desmond, author of "Take 5," once said he wanted his instrument to sound "like a dry martini." The cultivated personality presented on this easy-on-the-spirit compilation reminds you of, as he was once described, "the perfect extra man at a dinner party." Paul Desmond raised the level of conversation wherever he went.

PALLE MIKKELBORG "Anything but Grey" (Columbia): The shadow of Miles Davis hangs over Copenhagen. Mikkelborg has led and composed ("Aura") for the prestigious Danish Radio Big Band and he played with Dexter Gordon, Don Cherry and others. With "that" trumpet sound and those pretty melodies plus appropriate technology and a wide variety of colors and grooves, it sounds almost like Miles summing himself up.

JALAL "The Fruits of Rap" (On the One): Jalal, called "the grandfather of rap," was co-founder and is now the last of the original Last Poets. The Poets claimed their "Hustler's Convention" (1973) to be the first gangsta rap album. Jalal here includes tales like "The Master's Counsel," about a student named Hop and his master Hip. The stories and their recitation recall Lord Buckley — rap's percussive verses without attitude and with quick-witted rhymes worthy of a . . . poet.

Mike Zwerin/IHT

ARTS GUIDE

AUSTRIA

Vienna
KunstHaus Wien, tel: (1) 712-04-95, open daily. Continuing/To Jan. 26: "Man Ray." More than 150 vintage prints and some Surrealist objects. Man Ray (1890-1976) is renowned for his portraits of the cultural avant-garde in Paris and his pioneering work on experimental photography.

BELGIUM

Antwerp
Stedelijk Prentenkabinet, tel: (3) 232-24-55, closed Mondays. Continuing/To Jan. 19: "Jan Cox, 1919-1980." A selection of etchings, woodcuts, lithographs and silkscreen prints by the Belgian painter.

Brussels
La Monnaie, tel: (2) 217-22-11. "Tristan und Isolde." Directed by Achim Freyer, conducted by Antonio Pappano, with Ronald Hamilton and Anne Evans. Jan. 22, 26 and 30.

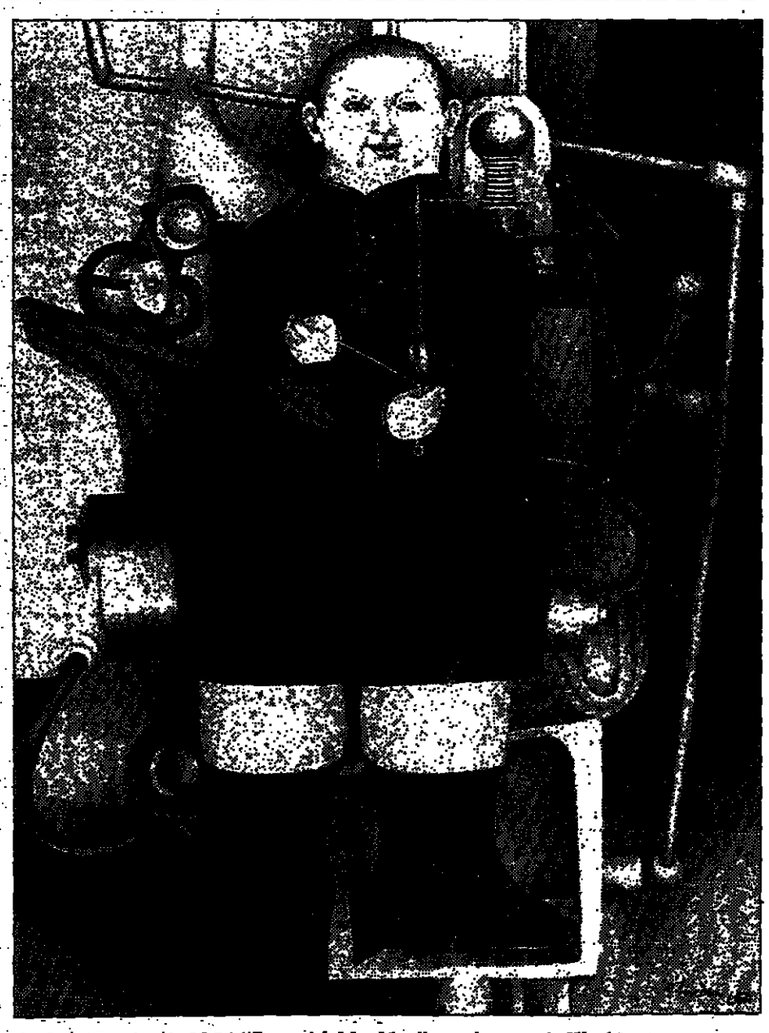
Ostende
Museum voor Moderne Kunst, tel: (59) 50-81-18, closed Mondays. Continuing/To Feb. 2: "D'Ensor a Delvaux." 150 works by Belgian artists James Ensor, Leon Spilliaert, Rene Magritte, Constant Permeke and Paul Delvaux.

BRITAIN

Edinburgh
Festival Theatre, tel: (131) 529-6000. "La Boheme." Directed by Daniel Slater, conducted by Stephen Clarke, with Claire Rutter and Ian Storey. Jan. 21, 23 and 25.
National Gallery of Scotland, tel: (31) 332-2266, open daily. To Jan. 31: "Turner Watercolors." The traditional annual display of 38 watercolors by the British painter (1775-1851). These works are shown during the month of January, when the light is at its weakest and least destructive.

London
English National Opera, tel: (171) 632-8300. A new production of "The Italian Girl in Algiers." Directed by Howard Davies, conducted by Valentin Reymond and sung in English by Sally Burgess, Charles Workman and Henry Puney. Jan. 18, 23, 25, 28 and 30.
Royal Academy of Arts, tel: (171) 439-7438, open daily. Continuing/To Jan. 19: "From Mantegna to Picasso: Drawings from the Thaw Collection." 100 drawings by Altdorfer, Rubens, Canaletto, Goya and Matisse, among others.

Whitechapel Art Gallery, tel: (171) 522-7888, closed Mondays. To March 9: "Tony Cragg: Sculpture." Fifteen large works by the British sculptor (born 1949), including towering assemblages made from glass vessels and wooden works bristling with hooks. Also includes drawings, as well as photographs and videos showing the creation and installation of recent works.



Richard Lindner's 1954 "Boy with Machine" can be seen in Washington.

CANADA

Toronto
Art Gallery of Ontario, tel: (416) 979-6648, closed Mondays and Tuesdays. Continuing/To Jan. 26: "Prints by Edvard Munch." A selection of 49 prints devoted to the themes of love and death that characterize the imagery of the Norwegian artist (1863-1944).

DENMARK

Humlebaek
Louisiana Museum of Modern Art, tel: 49-19-35-05, open daily. Continuing/To Jan. 19: "Picasso and the Mediterranean." Juxtaposes 150 paintings, sculptures, graphic works and ceramics by Picasso with works from the Cycladic, Mycenaean, Greek, Etruscan and Greco-Roman periods.

FRANCE

Paris
Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. Continuing/To Jan. 20: "Picasso et le Portrait."
Jeu de Paume, tel: 01-47-03-12-50, closed Mondays. To Feb. 16: "Jesus Rafael Soto." A retrospective of the works of the Venezuelan artist (born 1923), associated with Op Art. The exhibition focuses on the artist's serial works from the mid-1950s.
Musee-Galerie de la Seita, tel: 01-45-56-60-17, closed Sundays. To Feb. 22: "L'Amerique de la Depression, Artistes Engages des Annees 30." Prints and engravings created under the aegis of the Federal Art Project, that provided work for unemployed artists during the New Deal era. The works, by artists such as Edward Hopper, Harry Brodsky and Rockwell Kent, document working conditions in America in the 1930s.
Musee national des Arts d'Afrique et d'Oceanie, tel: 01-43-46-51-61, closed Tuesdays. To Feb. 17: "Arman et l'Art Africain." More than 180 works including masks, statues and reliquary figures collected in Africa by the Franco-American sculptor (born 1928).

FINLAND

Helsinki
Museum of Contemporary Art, tel: (0) 17-33-61, closed Mondays. Continuing/To Jan. 26: "Irving Penn: Photographs." Portraits, fashion photographs from the 1950s and still lifes by the American photographer (born 1917).

GERMANY

Bonn
Kunst-und Ausstellungshalle der Bundesrepublic Deutschland, tel: (228) 9171-200, closed Mondays. To March 2: "The Great Collections V: Napoli." More than 100 Neapolitan Baroque paintings, statues, 16th-century tapestries and works in porcelain. Includes major works by Mantegna, Raphael, Titian, Carracci and Guido Reni.

Munich
Nationaltheater, tel: (89) 21-85-19-20. Hans Werner Henze's "Venus and Adonis." Directed by Pierre Audi, conducted by Markus Stenz with Nadine Secunde, Chris Merritt and Ekkehard Wlaschiha. Jan. 11, 17, 23, 27 and 30.

Stuttgart
Staatstheater, tel: 711-20320. "Boris Godunov." Directed by Inga Levant, conducted by Gabriele Ferro with Pasta Burchuladze. Jan. 22 and 28.

ISRAEL

Jerusalem
The Israel Museum, tel: (2) 708-811, open daily. To June 1: "Empire of the Sultans: Ottoman Art from the Collection of Nassar D. Khalili." 200 works including calligraphy, Korans, manuscripts, arms and armor, metalwork, ceramics, textiles and scientific instruments.

ITALY

Florence
Museo di Storia della Fotografia, tel: (55) 213-370, closed Wednesdays. Continuing/To Jan. 15: "August Sander: La Fotografia non ha Ombre Oscura." Nearly 190 works by the German photographer.

JAPAN

Tokyo
Sezon Museum of Art, tel: (3) 59-92-01-55. To Feb. 2: "Kandinsky and Munter." German painter Gabriele Munter (1877-1962) was married to Kandinsky; they created works inspired by each other while they lived in Munich until World War I.

NETHERLANDS

Amsterdam
Rijksmuseum, tel: (20) 673-2121, open daily. Continuing/To Feb. 2: "Acquisitions: Drawings, Prints and Photographs (1993-1996)." Newly acquired drawings and prints dating back to the 16th century, as well as 19th and 20th-century photographs and autochromes.

SPAIN

Barcelona
Museu Picasso, tel: (3) 319-63-10, closed Mondays. Continuing/To Feb. 23: "Picasso and the Theatre: Parade, Pulcinella, Mercure." 150 pieces including paintings, drawings, and other materials document Picasso's scenic contributions to ballet performances.

Madrid
Fundacion Juan March, tel: (1) 435-42-40, open daily. Continuing/To Feb. 23: "Toulouse-Lautrec." More than 50 paintings by the chronicler of the Belle Epoque in Paris.

SWITZERLAND

Basle
Kunstmuseum, tel: (61) 271-0445, closed Mondays. Continuing/To Jan. 26: "Russian Avant-Garde, 1910-1924." Works by the Soviet avant-garde that developed from the first revolution to the beginning of Stalin's rule.

Geneva
Musee d'Art et d'Histoire, tel: (22) 311-43-40, closed Mondays. Continuing/To May 4: "Lumieres de l'Orient Chretien." More than 140 Greek, Melchite and Russian icons.

Lausanne
TMI. Opera Lausanne, tel: 21-310-16-00. "Il Barbiere di Siviglia." Directed by Stefano Vizioli, conducted by Jonathan Darlington with Jeffrey Francis, Evgenij Demerdjiev and Laura Polverelli. Jan. 10 and 12.

UNITED STATES

Baltimore
The Walters Art Gallery, tel: (410) 547-9000, closed Mondays. To Feb. 16, 1997: "Andrew Wyeth: America's Painter." 50 works, forty-nine of which have been loaned by an anonymous private collector. Included are landscapes, portraits, still lifes, nudes and interiors by Wyeth (born 1917).

New York
The Jewish Museum, tel: (212) 423-3200, closed Fridays and Saturdays. To Jan. 19: "From Court Jews to the Rothschilds: Art, Patronage and Power, 1600-1800." Documents the cultural world of the Court Jews who held influential positions, such as artists, financiers, diplomats and ministers in the royal courts of Central Europe.
Metropolitan Opera, tel: (212) 362-6000. Simone Young conducts Mascagni's "Cavalleria Rusticana," with Dolora Zajick/Ghena Dimitrova, Fabio Armiliato/Kristjan Johannsson and Bruno Pola/Vassili Gerello and Leoncavallo's "Pagliacci," with Diana Soviero/Elizabeth Holleque, Johan Botha/Vladimir Bogachov and Juan Pons/Leo Nucci. Jan. 16, 21, 25 and 29.

Washington
Hirshhorn Museum, tel: (202) 357-2700, open daily. To Jan. 12: "Richard Lindner: Paintings and Watercolors, 1948-1977." The exhibition introduces the bold, iconic figures of the German-born American artist: corset-clad women, child prodigies, archetypes from New York's underworld and caricatures. The exhibition will travel to Munich.
National Gallery, tel: (202) 737-4215, open daily. To Jan. 26: "Encounters with Modern Art: Works from the Rothschild Family Collections." The scope of the collectors' purchases embraces futurism, cubism, constructivism, and de Stijl. Juan Gris, Mondrian, Picabia, Brancusi and Goncharova's works are featured in the exhibition. The exhibition will travel to Philadelphia.
The Phillips Collection, tel: (202) 387-2151. To Feb. 9: "Impressionists on the Seine." A selection of more than 50 Impressionist paintings gathered around Renoir's "Luncheon of the Boating Party."

CLOSING SOON

Jan. 12: "Madame de Sevigne." **Musee Carnavalet, Paris.**
Jan. 12: "Jan Steen: Schilder en Verteller." **Rijksmuseum, Amsterdam.**
Jan. 12: "Star Trek: The Exhibition." **Josef Haubrich-Kunsthalle, Cologne.**
Jan. 12: "Robert Motherwell." **Fundacio Antoni Tapies, Barcelona.**
Jan. 12: "In the Light of Italy: Corot and Early Open-Air Paintings." **Brooklyn Museum, New York.**
Jan. 13: "La Griffe et la Dent: Barye, Sculpteur Animalier (1795-1875)." **Le Louvre, Paris.**
Jan. 13: "La Grece en Revolte: Delacroix et les Peintres Francais, 1815-1848." **Musee National Eugene Delacroix, Paris.**
Jan. 13: "Paques Imperiales: Les Oeufs en Porcelaine de l'Ermitage de Saint-Petersbourg." **Musee Ariana, Geneva.**
Jan. 13: "Jan Van Goyen: Dutch Landscapes of the Golden Age." **De Lakenhal, Leiden, The Netherlands.**
Jan. 13: "Fernando Pessoa's Lisbons." **Centre de Cultura Contemporania, Barcelona.**
Jan. 15: "August Sander: La Fotografia non ha Ombre Oscure." **Museo di Storia della Fotografia, Florence.**
Jan. 15: "Ellsworth Kelly." **Solomon R. Guggenheim Museum, New York.**

HOLIDAYS AND TRAVEL

Ski

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INTERNATIONAL

Tax Increases Have Wealthy, White South Africa Crying Apartheid

By Suzanne Daley
New York Times Service

SANDTON, South Africa — When Carol Burrell stared at her July property-tax bill and saw that it had gone from $120 to $400 in a single month, she made up her mind not to pay it.

It's not that she doesn't want to help South Africa's blacks overcome years of discriminatory racial policies. But a 233 percent tax increase to be handed over to a government she does not believe is capable of spending it properly was just too much. Sure, the surplus from her neighborhood was supposed to help put sewers and paved roads in poor townships. But would the money ever get there?

"This size increase is just evil," Mrs. Burrell said. "And it's just stealing. If one could see something happening in the townships. If one could see that things are better for the blacks. But all you see is government officials driving around in BMWs and wearing flashy clothes."

Across most of South Africa, the bureaucracy of the new democracy has settled in with remarkably little fuss. But here in Sandton, the northern suburb of Johannesburg that may be South Africa's richest neighborhood, the citizens are in revolt.

For the last six months, more than half of Sandton's 35,000 households have been refusing to pay their tax bills, calling the increases too big and too arbitrary.

The boycott has set off a bitter debate over how much money whites — particularly rich ones — owe the new South Africa. And it has created a strange irony: wealthy whites using the same crippling weapon of mass nonpayment against the new government that blacks used to make the townships virtually ungovernable under the old one.

The boycott could devastate the budget of greater Johannesburg, which was counting on a $100-million surplus from Sandton to pay for deficits in poorer neighborhoods. But on a larger scale, it is yet another symptom of a real crisis for the South African government: huge numbers of taxpayers of all races are not paying their local tax bills.

The payment rate varies widely throughout the country. In some white neighborhoods, it is more than 90 percent. But in Alexandra, a tiny crowded black township inside Sandton, it is only 3 percent. In Soweto, the sprawling black city a few miles from central Johannesburg, the rate is 25 percent, despite the government's campaign — "Let Us Build Together" — to persuade blacks to resume paying their taxes.

Since 1994, when the new government took over, taxpayers have failed to pay $1.2 billion they owed by law. Some local governments are barely squeaking by. A survey last June found that 95 of the country's 800 local governments did not have enough cash on hand to cover one month's wages. In Sandton, local officials say they are losing about $4.5 million a month to the boycott.

Meetings between local officials and representatives of the taxpayers have so far ended only in name-calling. Officials talk of cutting off water and attaching six-bedroom houses. Homeowners say they are ready to sue.

Commercial property owners already have. Last month, several big landlords, including the Liberty Life, Sanlam, and Commercial Union conglomerates, went to court to challenge the Johannesburg metropolitan-area budget on several fronts. The businesses said the Sandton increases were far higher than anyone else's, would drive away investors, and were unlawful on procedural grounds.

They refused to discuss the matter with the press, but issued a statement saying: "Commercial property owners are not a bottomless pit from which money can be siphoned off indiscriminately."

There is perhaps no place in South Africa where the rich so abruptly meet the poor as Johannesburg. The city is home to the stock exchange and major mining houses, but hundreds of thousands of unemployed squatters still eke out an existence in tin-roofed shacks.

While Sandton taxpayers are used to having trimmed lawns and maids who arrive at 7 A.M. to cook breakfast, most of the new local government officials, members of the African National Congress, came out of the townships. They see the new tax rates as a logical contribution from those who have always lived a privileged life.

The new rates stem from the government's decision to even out property taxes. Some neighborhoods actually got reductions. But Sandton, which was previously an independent municipality, had deliberately gone without amenities like parks and bus service to keep taxes low. That was possible because most homeowners belonged to country clubs and had cars. It was hit hardest by the new plan.

Government officials have little sympathy. They are particularly outraged that Sandton's powerful inhabitants did little to protest during years of apartheid and only now started a boycott.

"If people care about South Africa, they must understand where we have come from and the effects of apartheid where some people did not get a fair chance," said Stanley Khanyile, who heads the government team negotiating with the taxpayers. "There shouldn't really be an argument."

But many of the whites here feel blameless for apartheid. They say that they never voted for the National Party, which devised and carried out South Africa's repressive racial policies when it headed a white minority government, and that they were active in various charities.

For instance, Mrs. Burrell said she used to make peanut butter cookies for poor black children in Pretoria and that her husband's firm sponsors an adult-literacy course for domestic servants.

Sandton residents have been meeting regularly for updates on the confrontation. The conference room at the Inanda Country Club here was packed on a recent evening, and the talk under the crystal chandeliers was of hardship. No matter that the parking lot was filled with Mercedeses and at least three Rolls-Royces.

Bombs Go Off As U.S. Envoy Tries to Get Mideast Deal

Compiled by Our Staff From Dispatches

JERUSALEM — A U.S. peace mediator struggled to end an impasse over an Israel-PLO deal on Hebron on Thursday as two bombs that Israeli police blamed on Arab guerrillas wounded 13 people in Tel Aviv.

Palestinians turned down a U.S. compromise date for Israel's troop withdrawals in the West Bank, insisting the Washington make Israel respect the original timetable.

While Dennis Ross, the U.S. envoy, met again with Prime Minister Benjamin Netanyahu, two explosions rocked an area near Tel Aviv's central bus station.

The police said the bombs, placed in trash bins, were packed with nails, and were timed to explode 10 minutes and several meters apart.

David Bar-Ilan, communications director for Mr. Netanyahu, said it was too early to say if the explosions would affect the U.S.-brokered talks with the Palestine Liberation Organization.

"I am sure the prime minister is receiving detailed reports from people in the field and from security officials, and then we will reach the necessary conclusions," he told Israeli Army Radio.

Adam Amsinck/The Associated Press

A Jewish settler boy watching Israeli soldiers on Thursday in Hebron.

PLO officials declined comment.

Mr. Ross is trying to close a long-delayed deal on an Israeli withdrawal in Hebron. But Yasser Arafat, suspicious of Mr. Netanyahu's commitment to wider Palestinian self-rule, has been holding out for guaranteed dates for three further pullbacks in the rest of the West Bank.

Earlier Thursday, Mr. Ross met with the chief Palestinian negotiator, Saeb Erekat, and Mr. Arafat's deputy, Mahmoud Abbas.

In Hebron, the seeds of fresh confrontation were planted as Jewish settlers put up scaffolding for a new apartment building certain to outrage Palestinians, who oppose any expansion of the settler presence. *(Reuters, AP)*

Yeltsin's Physicians Call His Condition Satisfactory

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin, suffering from pneumonia, was being treated with antibiotics Thursday as doctors said his condition was satisfactory and his temperature was normal.

But the Russian president faced a new spurt of open criticism from his political rivals.

The Kremlin issued a brief statement that Mr. Yeltsin, 65, was being treated "with modern antibiotics and with general therapy." The president was moved to the Central Clinical Hospital on Wednesday when the "first signs" of the sickness were detected.

In a bulletin issued Thursday evening, the Kremlin said there had been "no negative changes" in his condition.

Mr. Yeltsin underwent a quintuple coronary artery bypass operation Nov. 5 and was just beginning to resume work when he was again sidelined by illness.

Antibiotics would normally be given to a patient suffering from bacterial pneumonia, which can be more acute than that caused by viruses. But the decision to give antibiotics to Mr. Yeltsin may have been cautionary and not indicative of his condition. No further details about Mr. Yeltsin were released.

Renat Akchurin, the surgeon who led the team that operated on Mr. Yeltsin, said Friday that the pneumonia was not related to the surgery. He said he had been told by Mr. Yeltsin's doctors that the president was in "quite satisfactory condition."

Prime Minister Viktor Chernomyrdin went ahead with plans for a short vacation outside of Moscow. The Kremlin said he and Mr. Yeltsin spoke by telephone.

Mr. Yeltsin was in the hospital less than a few hours when his rivals resumed hurling epithets at him, as they had done last autumn before his surgery. Grigori Yavlinsky, leader of the centrist Yabloko bloc in Parliament and a former presidential candidate, said in a radio interview that Mr. Yeltsin symbolized Russia's drift.

"Nothing changes in the rule of Russia," he said according to Interfax, "no matter whether Yeltsin is in the Kremlin or in the Central Clinical Hospital."

But Mr. Yavlinsky said he disagreed with the recent statements by the former security council chief, Alexander Lebed, calling on Mr. Yeltsin to step aside.

"Russia elected Yeltsin such as he is, and it is necessary to respect the choice of Russians," he said. "Yeltsin will remain the president for four years. However, I think this will be wasted time for Russia."

Mr. Lebed, meanwhile, renewed on Thursday his call for Mr. Yeltsin to resign.

"There is no power in the country," he said. "It's rudderless."

Sinatra Suffers Heart Attack

Compiled by Our Staff From Dispatches

LOS ANGELES — Frank Sinatra was back in the hospital Thursday after suffering a heart attack, a month after celebrating his 81st birthday.

"He had an uncomplicated heart attack," said the Cedars-Sinai medical center spokesman. "The prognosis is good," he added.

Mr. Sinatra was undergoing a series of tests, the spokesman said.

The entertainer was in the same hospital Monday night for an undisclosed reason, but he was released Tuesday morning. *(AFP, AP)*

Commuter Plane Crash Kills 28

Agence France-Presse

DETROIT — A Delta ComAir commuter plane crashed into a snow-covered cornfield 25 miles south of Detroit on Thursday, killing all 28 people on board, Detroit airport officials said.

Witnesses said the Embraer-120 Brasilia turboprop dipped a wing, nosedived and exploded on impact.

There were conflicting reports on whether the plane was headed to Detroit or whether it had taken off from there. One report said the aircraft had taken off from Cincinnati and was bound for Detroit.

HEALTH: *The Third World's Sanitation and Bad Water Continue to Take a Heavy Toll, Especially on Children*

Continued from Page 1

earnings. She could afford that, but then there would be less money for food.

The water comes from a pipe that runs into the slum where the Bhagwanis live, in the city of Thane, near Bombay. The pipes are cracked and run in a ditch that is filled with sewage. Even if the water was properly treated at its origins, health workers say, sewage seeps into the water to produce one of the most deadly ailments in the world today: diarrhea. Diarrheal disease kills some 3.1 million people annually, almost all of them children.

The larger issue is that the most fundamental health challenge in the world at the end of the 20th century may be the same as it apparently was four millenniums ago: sanitation. To families like Mrs. Bhagwani's, perhaps nothing would make more difference than clean water and a toilet.

All in all, human wastes may be more menacing than nuclear wastes, for feces kill far more people than radioactive substances. A huge range of diseases and parasites infect people by the fecal-oral route, transmitted from one person's waste by food or water or poor hygiene into the mouth of a neighbor. Some of those ailments are fatal, while others weaken people and entire nations. Some 2.9 billion people — 66 percent of the population in the Third World — have no access to a toilet, not even a decent pit latrine.

The vast majority simply use a bush or a quiet piece of ground, and for them toilet paper is an unimaginable luxury. Most rely on leaves or a splash of water, and afterward few have the means and training to wash their hands thoroughly with soap and water.

In some respects, sanitation in poor countries has worsened in the last few years. World Health Organization statistics show that in the first half of the 1990s the proportion of people in the Third World with access to a toilet fell, from 36 percent to 34 percent.

But over all, sanitation conditions and water supplies have improved noticeably in the last few decades, and child death rates have fallen sharply.

Packets of oral rehydration salts, popularized by Unicef and now widely available in rural areas of the Third World, save the lives of countless children with diarrhea; improved water and the rehydration packets may together save the lives of more than a million children a year.

In particular, most countries are registering great progress in supplying potable water. In the first half of the 1990s the proportion of people in the Third World with access to safe drinking water rose from 61 percent to 75 percent.

"When you look at the last century, the greatest advance was not antibiotics," said Dr. Graham Ogle, an Australian with long experience as a physician in Papua New Guinea. "It was sanitation and the provision of clean water."

Dr. Ogle, who has just started running a hospital in Phnom Penh, the Cambodian capital, noted that dirty water causes diarrheal illnesses like gastroenteritis that are not normally life-threatening but that cumulatively wear a patient out.

"It's a vicious cycle," he said. "If you've got a kid who's a little bit malnourished, then he gets gastroenteritis, and he's more malnourished, and his immunity drops. Then he can get pneumonia or tuberculosis, and while you or I might shrug it off, here a kid can die of it."

Children are also weakened by worms, a common result of poor sanitation. Up to 60 percent of humanity has some kind of worms crawling in their bellies or under their skin. Sometimes these grow so numerous that they entirely block the intestines and cause death, but mostly they are simply painful, distracting and debilitating.

"You eat only so much food, and worms get some of that," Ogle said. "You get a bellyache, so you don't feel like going to school or going to work. And worms give you anemia, so you feel lethargic and are less likely to develop your skills and grow. And in young children, anemia affects cognitive development, and that's permanent.

"It can shift down the learning ability of your entire population."

On the Bassac River just outside Phnom Penh is one of the most wretched slums in the world, a putrid slope of mud and excrement that is home to tens of thousands of people packed in rickety shacks on the bank of the river.

There are latrines of a sort, for entrepreneurs have set up little platforms over the water. These are open toilets where men and women squat behind half-barrels, a determined nonchalance substituting for privacy, as the toilet owners make money by raising fish on the sewage in fenced-off waters below the toilet platform.

The fish may not sound appetizing, but the worst problem is that the slow river is used by the slum not only as its toilet, but also as its source of drinking water.

Preung Sriy, a round-faced 27-year-old mother of three, uses buckets of river water for washing vegetables, for bathing her children and for drinking. She says she normally boils the water before drinking it, but her 8-year-old son died a few years ago after a bad case of diarrhea, and her three other children also regularly get diarrhea.

Mrs. Preung Sriy says she went to school for a total of six months, and she is too lethargic — or anemic — to put any emphasis on hygiene.

Soap is not such a problem, for it is relatively inexpensive; the greater challenge is a recognition of the importance of hand-washing and clean water to go with the soap.

In Mrs. Preung Sriy's case, the only water available for washing hands is the black liquid taken from between the toilets in the river. "I sometimes wash my hands before making food, and my kids sometimes wash their hands before eating and sometimes don't," she said.

However grim conditions sometimes seem to be today, the progress of the last few decades is striking. The record in a variety of countries is also important because it suggests that while there is no single magic bullet available, there are a myriad of approaches that help control sanitation-related diseases.

Many development economists now emphasize the importance of operating banklike institutions that offer credit to poor people in Third-World cities and villages, so they can start small businesses and generate some cash. The idea is that with a bit of money, people will be able to help themselves by building covered wells, buying mosquito nets and visiting doctors when necessary.

Likewise, there is no doubt that one way for governments to save lives is to supply water to poor areas — not just clean water, but lots of it, even if it means charging for the service.

One of the most persistent reasons for poor hygiene is simply that there is almost no water to wash with in many parts of Africa, India and China. Hand-washing after defecation can seem like a luxury when the water must be lugged from a creek two hours away.

India has cut diarrhea-related deaths by providing many villages with covered wells. Bolivia managed to cut diarrhea among children by showing people how to disinfect water and then keep it at home in narrow-necked jugs with covers.

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CYPRUS: *U.S. Warns Turkey*

Continued from Page 1

national community," the State Department spokesman Nicholas Burns said in Washington. "It would be completely out of bounds for Turkey to take this action."

Saying the United States hoped the report citing Mr. Tayan was "incorrect," Mr. Burns added, "We hope it does not reflect in any way shape or form the views of the Turkish government."

"There can be no question," he said, "that Turkey must respect the rules of the road here, which are: No country, and specifically in this case Turkey, should threaten the use of military force against Cyprus; no country, specifically here Turkey, should undertake military force against Cyprus."

Washington has condemned Nicosia for the missile deal, Mr. Burns added.

Nicosia dismissed the threats of a military strike by Ankara as nothing new.

"For us the matter is over," Foreign Minister Alekos Michaelides said. "We will not follow Turkey with polemic statements. We are focusing our attention to the political solution of the problem."

Earlier Thursday, Athens shrugged off similar but less explicit threats by Turkey, with Prime Minister Costas Simitis saying tensions should be defused.

"We don't need to worry," he said. "We are not before a giant crisis."

"What is now happening in our region is not new," he added. "Statements have also been made in the past." *(Reuters, AP)*

GRAPES: *Red Wine May Inhibit Cancer*

Continued from Page 1

cer prevention and control at the National Cancer Institute, said, "More than 150 studies have clearly shown that groups of people who eat plenty of fruits and vegetables get less cancer at a number of cancer sites."

In addition to vitamins, minerals and fiber, many substances have been found in all kinds of plant foods that are believed to be useful in preventing the development of cancer. Among them are antioxidants that block gene damage, enzyme-inducing substances that detoxify carcinogens, sterols that stop the uncontrolled growth of cells and genistein, found in soy-based foods, that interferes with the blood supply to tumors.

In the Illinois studies, resveratrol was initially singled out because it was shown to have anti-inflammatory activity.

Anti-inflammatory compounds like aspirin and indomethacin can inhibit tumor promotion and have been linked to a reduced risk of colorectal cancer in people. Further studies of resveratrol in cultures of laboratory cells showed that it could block the action of a known gene-damaging and cancer-causing agent and that it could stimulate cells to produce enzymes that detoxify carcinogens. Another laboratory study showed that resveratrol could make human leukemia cells stop proliferating.

In addition, in laboratory cultures of mouse mammary tissue, resveratrol blocked the chemically triggered development of premalignant cells, and it reduced the formation of skin cancer in mice whose skin was treated with a carcinogen. The researchers, lead by Meshiang Jang, a graduate student, reported that there was no evidence of toxic effects of resveratrol in the treated animals.

Dr. David Goldberg, clinical biochemist at the University of Toronto whose 70-page paper on resveratrol research will soon be published in the journal Clinical Biochemistry, said that, using cultures of human tumors, he has also been studying the ability of resveratrol and other substances in wine to inhibit the growth of cancers and the action of cancer genes.

He and his colleagues previously showed resveratrol to be a potent inhibitor of clot formation in laboratory studies.

"But we have yet to demonstrate a significant effect in human subjects drinking red wine with high resveratrol concentrations," Dr. Goldberg said. "In human studies, the effects of red wine and white wine on coagulation were indistinguishable, suggesting that the effects we observed were due to the alcohol content, not resveratrol." The amount of resveratrol in white wine is at best negligible, the Toronto physician-scientist said, because in making white wine the skins are removed before the juice is fermented.

Furthermore, he added, "when we gave volunteers huge amounts of red wine high in resveratrol, we were unable to detect the compound in their blood." He added, "It doesn't matter how potent a compound is in the test tube. If it doesn't get into the bloodstream, it won't have any effect."

Herald INTERNATIONAL Tribune
BUSINESS/FINANCE
FRIDAY, JANUARY 10, 1997

Showdown For Defense Unit at GM?

Raytheon Faces Off Grumman for Prize

Bloomberg Business News

DETROIT — General Motors Corp. received two bids of $9 billion or more for the defense businesses of its Hughes Electronics Corp. subsidiary, and the bidding is likely to go higher, sources familiar with the situation said Thursday.

Raytheon Co. bid at least $9 billion, an amount that is less than an offer submitted by rival Northrop Grumman Corp., the sources said.

The bids, which both included cash and stock, may still rise as Goldman, Sachs & Co. conducts an auction of GM's defense holdings. Because a higher bid would probably mean issuing more stock, analysts said Raytheon had a better chance of winning.

"In the case of Raytheon, you've got a far larger market cap," said Paul Nisbet, an analyst with JSA Research, who added that issuing $4 billion to $6 billion in stock would not be a problem for the company.

Northrop and Raytheon are in a race to win Hughes, the last big defense business available after a broad consolidation in the industry. As defense budgets declined in recent years, contractors got bigger on a bet that doing so would allow them to win more business from the U.S. Department of Defense, by far the world's largest buyer of military goods.

Northrop's bid exceeded that of its rival by $200 million to $500 million, according to the sources.

Even so, analysts are betting that Raytheon will win because, for tax reasons, GM wants stock to be the biggest portion of any bid.

GM will be give a big share of the winner's stock to its shareholders, and it wants to receive shares that are likely to appreciate strongly. The carmaker appears to be more optimistic about Raytheon's prospects than those of Northrop.

Northrop shares fell $1.375 in New York to $77.875, while Raytheon declined $1.25 to $47.50. GM rose 12.5 cents to $59.25.

Toru Yamanaka/Agence France-Presse
Computer users in Japan accessing a video program on digital videodisk technology available there since Nov. 1.

Hollywood Goes DVD, Cautiously

By John Markoff
New York Times Service

LAS VEGAS — Makers of consumer electronics equipment and computers are betting that digital videodisks, or DVDs, may ultimately transform both of their industries, replacing videocassette recorders and video games as well as computer and audio compact disk players.

While consumers have yet to render their verdict, the first trickle in what may become a torrent of DVD software was released Wednesday in Las Vegas, as Hollywood studios introduced their first movie titles in the new format.

Time Warner Inc. and its New Line Cinema Corp., Sony Corp.'s Columbia Tri-Star Motion Pictures Cos., Metro-Goldwyn-Mayer Inc. and Philips Electronics NV's PolyGram NV released a limited number of their titles, cautiously hoping that Americans will rush to purchase $500 DVD player units when they become available in the United States this spring.

Hollywood studio and consumer electronics executives are betting that consumers will forsake their VCRs for the new players, which offer movies with higher quality than even laser-disk players.

The disks are the same size as existing compact disks, but hold seven times as much data, enabling full-length feature movies to be stored on a single disk.

The first generation of the disks will not be recordable, but later versions will allow users to record computer data and movies.

One selling point for the format, its manufacturers say, is that the disks are compatible with the advanced television standard that will begin to appear next year.

That digital videodisk technology appears poised to reach consumers as early as this quarter is itself a remarkable tale of political negotiation and compromise among virtually every major player in the electronics and entertainment industries.

The new technology was delayed for nine months as the industry wrangled over which of two technologies to back and then a further four months for a piracy protection system that would protect Hollywood from illegal copying of its films.

A slew of DVD announcements are scheduled at the annual Consumer Electronics Show, which opened here Thursday.

But even the most ambitious Hollywood executives acknowledge that it is not just consumers who might be cautious.

"Hollywood is behaving as it always behaves," said President Warren Lieberfarb of Warner's home video unit. "It repeatedly finds itself caught in a difficult pregnancy as it tries to reconcile the arrival of a new media with its existing business."

Most analysts maintain that the pieces are finally in place for the technology. Optimists argue further that

See DVD, Page 17

Japan Stocks Spark Fear With Big Sell-Off

Drop Puts New Investment at Risk

By Velisarios Kattoulas
International Herald Tribune

TOKYO — Share prices in Japan dropped sharply Thursday for the third straight day, falling to their lowest level in more than a year and raising concern among some economists that the stock market's steep losses risked derailing the nation's fragile economic recovery.

Share prices plunged 3.3 percent, their biggest decline in 21 months, after losing 5 percent in the two previous days.

If they fall much further, some economists said, it could hobble the country's financial sector and prompt manufacturers to drop plans to invest heavily for the first time in five years in new factories and production lines.

The benchmark Nikkei 225 Stock Average ended Thursday down 606.51 points, at 18,073.87.

"Everything hinges on whether the Nikkei falls below 17,000," said Hidetoshi Tanaka, chief economist at Sanwa Research Institute. "If it does, manufacturing firms could postpone or abandon planned investment in plant and machinery and the latent profits financial institutions have from their share portfolios could fall to zero."

The Finance Ministry said last month that capital investment in the three months to September had risen 8.2 percent from a year earlier, the largest rise in more than five years.

But some analysts cited concern Thursday that Japan's huge but shaky banking sector, and the financial markets, could become trapped in a downward spiral, as continuing plunges in the stock market weakened the financial health of banks that were already weighed down by bad debts.

This weakening could then in turn trigger further share sell-offs.

The government has so far reacted coolly to this week's share price falls, and to the sharp decline of the yen against the dollar, which earlier this week fell to a near four-year low against the dollar.

Finance Minister Hiroshi Mitsuzuka remained quiet about Thursday's stock-market decline, but he said Wednesday that the economy was far stronger than the weakness of the stock market and the yen, and suggested that the government had no plans to prop up share prices.

But unless the government took heed of market fears about the slow pace of deregulation and the host of other problems plaguing Japan's economy, it could soon find itself faced with another recession.

"Talk is cheap, and we've heard plenty of talk," said Andrew Shipley, an economist at the brokerage Schroders Japan. "What we need now is to see the authorities walk the walk as well."

Kosaku Inaba, the chairman of the Japan Chamber of Commerce, said Japan would face a "grave problem" if share prices fell much further.

"I feel the market is severely criticizing the current state of the economy," Jiji news agency quoted the industrialist as saying.

Many of the reasons for the sharp declines this week are not new. Some have plagued Japanese share prices for years.

They include worries that the financial sector will be unable to cope with its mountain of irrecoverable loans, many of them related to real estate and made during the boom in share and property prices in the late 1980s.

They also include fears that a recently unveiled 2 percent rise in the consumption tax and the end of a special 2 trillion yen ($17.33 billion) break in personal income taxes, both in April, will empty the country's department stores and supermarkets and hurt consumption at a time when Japan's economy is too fragile for such trauma.

But one of the stock market's biggest and most recent worries centers on whether Prime Minister Ryutaro Hashimoto can deliver on repeated pledges to unravel the bureaucratic red tape stifling Japan's economy, which before the stock market started to plunge was seen growing by up to 3 percent in the year to March.

With Japan's national debt approach-

See TOKYO, Page 15

Thinking Ahead /Commentary

A Fading Grand Design for Europe

By Reginald Dale
International Herald Tribune

WASHINGTON — For more than half a millennium, Europe has been at the center of world affairs — at first alone, more recently as part of the Western alliance alongside North America. According to one intriguing estimate, for a period of 200 years until the 1960s, the United States and Britain alone accounted for at least 40 percent of total world economic output.

That era is now rapidly coming to an end. As the 20th century draws to a close, we are entering a multipolar world in which power is shifting to non-Western nations, especially in Asia, many of which were European colonies only a few decades ago.

But while the United States remains politically powerful and economically successful, today's Europe seems mired in the problems of its past and headed for relative decline.

Arresting that decline has been one of the main rationales for the drive to closer European unity that began in the mid-1950s. And with the end of the Cold War, it looked for a while — at least to the process's more optimistic supporters — as if unity could march boldly forward according to a new Continental-scale grand design.

European visionaries saw the Continent's two halves peacefully unified in an expanded European Union (and an enlarged North Atlantic Treaty Organization) in a way that neither Napoleon nor Hitler could achieve by conquest.

The Union would have a single currency, common foreign and security policies and a unique new form of quasi-federal government. The new Europe would forge close and amicable relations with Russia and once again become a heavyweight player on the world stage.

A virtuous circle would ensue. In the huge new pan-European zone of freedom and prosperity, it would be easier for member nations to shed the burden of their welfare states and enact the reforms necessary to restore international competitiveness. The time seemed to call for great leaders and momentous decisions.

It is now clear that it is not going to be like that. Most Europeans — at least in Western Europe — see the challenges ahead as problems not opportunities. They regard the advent of the common currency, wrongly, as a cause of their current difficulties, not part of the solution.

There are no popular demands for momentous decisions, and no great leaders to take them. In the Union's early years, the public wanted to move forward faster than governments. Now only a political elite wants to press ahead, and much of the public is cynical or hostile.

In the Union's early years, the public wanted to move forward faster than governments. Now only a political elite wants to press ahead.

The visionary approach was always overoptimistic. But governments have now gone to the other extreme of complete minimalism. At each stage only the minimum will be agreed to avert disaster. There will be no grand design.

The EU's enlargement will proceed piecemeal, a few countries at a time. Common foreign and security policies will hang fire. Monetary union will probably go ahead, but many countries will be left out initially.

The intergovernmental conference due to conclude this year will fail to tackle the great issues of how a larger Union should be governed and how its institutions can be made more democratically accountable.

The visionaries need not despair altogether. If economic and monetary union works, it will lead to much greater political and economic integration than most people realize.

The new concept of flexibility will make it easier for integration to proceed in controversial areas — with some countries going ahead and others catching up later.

But there is a big difference now from the Cold War days. The rest of the world is no longer waiting for Europe. As other countries move toward ascendancy, Europe does not have the luxury of endless time to define its future.

Hong Kong to Curb Property Speculators

Compiled by Our Staff From Dispatches

HONG KONG — The Hong Kong government will introduce a series of measures next week to curb overheating in the booming property market, a government source said Thursday.

The warning came amid reports that rights to buy apartments in luxury developments had been sold Wednesday for a record 2 million Hong Kong dollars ($258.4 million).

Property developers also said that 27,132 prospective buyers registered to buy apartments, the highest number in recent years.

Thousands of people line up to register for the computer ballots that decide who has the right to buy new apartments, and the successful applicants can sell their positions to speculators.

Recently, legislators and consumer and business lobbies have all voiced concerns over an increase of some 20 percent to 30 percent in residential property prices in 1996.

But analysts said that measures to stem property speculation could be bad news for the territory's economy as 70 percent of its companies invest in real estate.

"Property prices have essentially gone to a level which is affecting the economic well-being of the general public," said Benjamin Cheng, executive director at Goldman Sachs & Co.

The source said the measures could include a tax on those who speculate on the sale of rights to buy apartments. Other steps could include a reduction in the number of apartments developers can sell to single buyers, and limits on the sale of uncompleted apartments. A Hong Kong Monetary Authority official also warned Thursday that it "cannot rule out" a tightening of lending criteria by banks.

(Reuters, AFP, Bloomberg)

CURRENCY & INTEREST RATES

Cross Rates

Jan. 9

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7785	2.9945	1.1226	0.3326	0.1148*	—	5.446*	1.2954	1.534*	1.3105	1.335*
Brussels	32.465	55.03	20.621	6.1025	2.1075*	18.365	—	22.76	0.2798	23.96	24.4025*
Frankfurt	1.5789	2.6685	—	0.296	0.1027*	0.8908	4.8519*	1.1529	1.358*	1.1638	1.1632*
London (a)	1.6942	—	2.6684	9.0099	2,680.25	2.9968	55.0345	2.3136	196.708	2.3085	224.509
Madrid	132.538	224.347	84.098	24.894	8.587*	74.918	4.0983	97.012	113.992*	98.024	—
Milan	1,542.28	2,614.00	978.35	289.90	—	871.35	47.524	1,129.28	13.301	1,128.15	11.64
New York (b)	—	1.6980a	1.5765	5.3230	1,539.80	1.77	32.51	1.3685	116.375	1.3524	132.685
Paris	5.3342	9.0125	3.3383	—	0.3449*	3.0096	0.1639	3.8971	4.5790*	3.9378	4.017*
Tokyo	115.98	195.59	73.55	21.77	0.753	65.54	3.5705	84.71	—	85.66	0.8744
Toronto	1.3578	2.2916	0.8565	0.2539	0.0876*	0.7635	0.4155*	0.9863	1.1619*	—	1.019*
Zurich	1.3688	2.3178	0.8665	0.2568	0.0888*	0.7723	4.3008*	—	1.1763*	1.0121	1.0307*
1 ECU	1.2389	0.7387	1.9483	6.5859	1,989.01	2.1882	40.1766	1.6898	143.811	1.6724	163.926
1 SDR	1.4282	0.8447	2.2537	7.6897	2,205.82	2.5284	46.4662	1.9544	165.571	1.9372	188.424

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers and Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	246.58	Mex. peso	7.817	S. Afr. rand	4.6625
Australian $	1.2798	Hong Kong $	7.7365	N. Zealand $	1.4156	S. Kor. won	846.70
Austrian sch.	11.083	Hung. forint	162.89	Norw. krone	6.4525	Swed. krona	6.9292
Brazil real	1.0409	Indian rupee	35.865	Phil. peso	26.32	Taiwan $	27.49
Chinese yuan	8.3272	Indo. rupiah	2362.15	Polish zloty	2.89	Thai baht	25.63
Czech koruna	27.31	Irish £	0.6026	Port. escudo	152.50	Turkish lira	109755.
Danish krone	6.0042	Israeli shek.	3.2474	Russ ruble	5595.0	UAE dirham	3.6705
Egypt. pound	3.392	Kuw dinar	0.2994	Saudi riyal	3.7500	Venez. boliv.	475.75
Fin. markka	4.7003	Malay. ring.	2.4926	Sing. $	1.4052		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6920	1.6907	1.6893	Japanese yen	115.70	115.25	114.72
Canadian dollar	1.3492	1.3468	1.3441	Swiss franc	1.3603	1.3564	1.3522
Deutsche mark	1.5717	1.5688	1.5656				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Jan. 9

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 5/16 - 5 7/16	3 - 3 1/8	1 5/8 - 1 3/4	6 1/16 - 6 3/16	3 3/16 - 3 5/16	3/8 - 1/2	4 - 4 1/8
3-month	5 5/16 - 5 1/2	3 - 3 1/8	1 3/4 - 1 7/8	6 3/8 - 6 1/2	3 3/16 - 3 5/16	3/8 - 1/2	4 - 4 1/8
6-month	5 1/2 - 5 5/8	3 - 3 1/8	1 5/8 - 1 7/8	6 9/16 - 6 11/16	3 3/16 - 3 5/16	7/16 - 9/16	4 - 4 1/8
1-year	5 1/2 - 5 7/8	2 15/16 - 3 1/16	1 11/16 - 1 13/16	6 7/8 - 7 1/8	3 3/16 - 3 3/8	1/2 - 5/8	4 - 4 1/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/4	5 1/4
90-day CDs dealers	5.43	5.43
180-day CP dealers	5.33	5.30
3 month Treasury bill	4.99	5.02
1-year Treasury bill	5.26	5.30
2-year Treasury bill	5.92	5.94
5-year Treasury note	6.25	6.29
7-year Treasury note	6.35	6.40
10-year Treasury note	6.49	6.54
30-year Treasury bond	6.75	6.79
Merrill Lynch 30-day RA	4.95	4.95
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.42
1-month interbank	0.53	0.53
3-month interbank	0.56	0.56
6-month interbank	0.56	0.56
10-year Govt bond	2.58	2.66
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.10
1-month interbank	3.15	3.15
3-month interbank	3.15	3.15
6-month interbank	3.18	3.18
10-year Bund	5.89	5.98

Britain		
Bank base rate	6.00	6.00
Call money	5 7/8	6.00
1-month interbank	6 1/16	6 1/16
3-month interbank	6 3/8	6 3/8
6-month interbank	6 9/16	6 9/16
10-year Gilt	7.65	7.74
France		
Intervention rate	3.15	3.15
Call money	3 1/4	3 1/4
1-month interbank	3 1/4	3 5/16
3-month interbank	3 1/4	3 5/16
6-month interbank	3 1/4	3 5/16
10-year OAT	5.81	5.89

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	355.70	—0.30
London	354.50	356.50	—0.10
New York	356.80	358.80	+2.00

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

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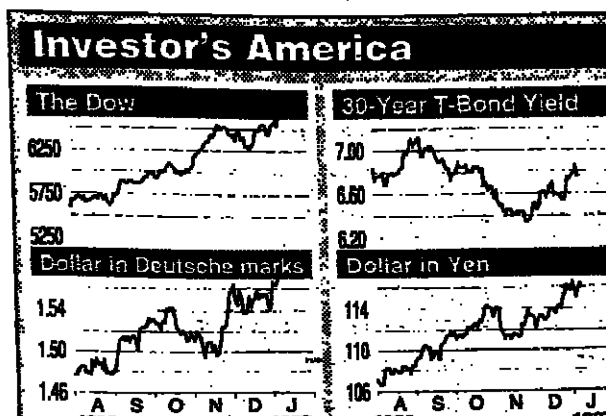
Continued on Page 19

Investor's America



Exchange	Index	Thursday Close	Prev. Close	% Change
NYSE	The Dow	[illegible]	[illegible]	[illegible]
NYSE	S&P 500	[illegible]	[illegible]	[illegible]
NYSE	S&P 100	[illegible]	[illegible]	[illegible]
NYSE	Composite	[illegible]	[illegible]	[illegible]
U.S.	Nasdaq Composite	[illegible]	[illegible]	[illegible]
AMEX	Market Value	[illegible]	[illegible]	[illegible]
Toronto	TSE Index	[illegible]	[illegible]	[illegible]
Sao Paulo	Bovespa	[illegible]	[illegible]	[illegible]
Mexico City	Bolsa	[illegible]	[illegible]	[illegible]
Buenos Aires	Merval	[illegible]	[illegible]	[illegible]
Santiago	IPSA General	[illegible]	[illegible]	[illegible]
Caracas	Capital General	[illegible]	[illegible]	[illegible]

Source: Bloomberg, Reuters — International Herald Tribune

Pilots' Vote Stalls Boeing Sale

American's Purchase of 103 Jets Hinged on Contract Approval

Compiled by Our Staff From Dispatches

FORT WORTH, Texas — American Airlines has delayed a $6.6 billion order for Boeing Co. jets after a pilots' union had rejected a contract proposal.

The Allied Pilots Association, representing some 9,000 pilots for the airline, said late Wednesday that 61 percent of those voting had turned down a new labor agreement.

The four-year contract proposal offered modest pay increases and would have allowed American Eagle, American's commuter affiliate, to fly small jets with pilots represented by another union.

American said ratification of the contract by the Allied Pilots Association members was essential to proceed with the purchase of 103 new Boeings. The airline announced the purchase in November.

"The Boeing deal was contingent on ratification of the APA agreement, so right now, technically speaking, the Boeing deal is off," said an airline spokesman, Rob Britton.

American said expansion of its fleet would have meant advancement opportunities for pilots, something it hoped was a strong incentive for union members to accept the contract offer.

The association said that of 8,606 pilots eligible to vote, 8,243, or 96 percent, had sent in ballots by the Dec. 30 deadline.

The airline announced the rejection after stock markets had closed Wednesday. On Thursday, the share price of American's parent, AMR Corp., closed $1.50 lower at $86.625, while Boeing's stock price was down 12.5 cents at $105.

Mr. Britton said American still held out hope that a quick resolution of the contract dispute would salvage the Boeing deal.

"We're going to have an agreement with the union," he said. "It's not even a question of eventually. I think it's sooner rather than later."

Boeing said it was also confident the purchase would eventually proceed.

"It's unexpected, that's for sure," a company representative said, "but not insurmountable."

The pilots' association's 18-member board of directors had scheduled to meet Thursday in Fort Worth.

A union spokesman, Gregg Overman, said the next step in negotiations might be up to the National Mediation Board, which has overseen the two-and-a-half year labor dispute.

The federal panel could order American and the union back to the negotiating table, he said, or declare an impasse in talks and offer the two sides binding arbitration.

The pilots' vote lends further proof to the notion that good news in the airline industry is often bad news for the carriers. A strong economy has led to high fares and full planes, and as a result, airlines have reported record profits.

Pilots, who often say that they are asked to make concessions in bad times but are not rewarded in good times, are now clearly signaling that it is time for payback.

"We don't feel like we should lose buying power to inflation when the company is in such a profitable state," said Glenn Schafer, an American pilot who voted against the deal, which would have given union members a cumulative 5 percent wage increase through 2000.

Julius Maldutis of Salomon Brothers Inc. said, "At the end of the day, recent industry profitability is leading to increased labor-management conflicts. That's the real issue." *(AP, AFX, NYT)*

TOKYO: *Stock-Market Drop Threatens Economy*

Continued from Page 13

ing 500 trillion yen, or nearly 100 percent of gross domestic product, and the Bank of Japan's discount rate at a historic low of 0.5 percent, Japan has little room to bolster its economy using fiscal and monetary policy, making deregulation crucial.

Late last month, for instance, Mr. Hashimoto's cabinet approved a Finance Ministry budget plan for the year from April that drew criticism for not slashing spending deeply enough on politically sensitive subsidies to farmers and public works projects.

But what is new about the latest stock market weakness is that it has joined the list of negative factors bearing down on the economy, and prompted fears the stock market's own fear of another recession could become self-fulfilling.

Yoshiaki Mitsuoka, a director at Daiwa Investment Trust & Management, told Bloomberg Business News that the weakness of the stock market threatened Japan's economy because it would make company managers, consumers and financial institutions more cautious.

"This nauseating nosedive is wrecking the outlook on the economy," he said.

Reflecting worries about Japan's financial system, its real estate sector and the prospects for investment in plants and machinery, banking, real estate and heavy industry shares led the fall Thursday, in which nearly 12 stocks fell for every one that rose.

■ Record for U.S. Stocks

Following the lead of bonds, U.S. stocks rallied Thursday, with the Dow Jones industrial average setting a record, on signs of tame inflation despite robust economic growth, news services reported from New York.

The Labor Department reported that while wholesale prices shot up 0.5 percent in

U.S. STOCKS

December, the increase measured just 0.1 percent when the volatile food and energy sectors are excluded.

"It's hard to remember any time when the overall economic situation looked so good," Alice Rivlin, a Federal Reserve Board vice chairman said in a speech late Wednesday in New York.

The Dow finished up 76.19 points, at 6,625.67, with advancing issues leading decliners by a 16-to-9 ratio on the New York Stock Exchange.

"Even though we're at record highs, I don't see a shortage of value in the equity market," said David Diamond of Boston Co. Asset Management.

Oil stocks are among those that still offer value, money managers said.

"People are looking for comfort and they're looking for places that can handle large pieces of money. The oils are the place to go," said Ken Kaplan, a principal at Spare, Kaplan, Bischel & Associates in San Francisco.

Occidental Petroleum closed up ⅞ at 24⅞ and USX-Marathon Group gained 1⅛ to 26½. Atlantic Richfield rose 5½ to 136¾.

Texaco shot up 2⅞ to 104¾, as the company had said after the close of trading Wednesday that it would give prosecutors an internal report on its handling of a race discrimination suit.

Interest rates retreated as many retailers reported small sales increases in December. The weak results bolstered the perception that the economy's growth was slow enough to limit inflation, letting the Fed resist pressure to increase benchmark lending rates.

Signs of stable rates lifted bonds, with the benchmark 30-year Treasury finishing up 1 3/22 points, at 96 23/32. That lowered its yield to 6.75 percent from 6.84 percent on Wednesday.

The drop in borrowing costs benefited such financial issues as the Federal National Mortgage Association, or Fannie Mae, up 1⅞ to 39½.

C-Phone rose 4 11/16 to 11 11/16 after the communications software developer said it would develop video-conferencing products with Analog Devices. *(Bloomberg, AP)*

Very briefly:

Disney Paid Ovitz $39 Million Cash

BURBANK, California (Bloomberg) — Walt Disney Co. paid Michael Ovitz, its former president, $38.9 million and 3 million stock options as part of a severance package, according to a filing with the federal government.

Mr. Ovitz announced in December he would resign after a year on the job and amid growing tension between him and Chairman Michael Eisner. Mr. Ovitz joined Disney in late 1995. Mr. Ovitz left the company Dec. 27 and the severance was paid then, according to the filing.

U.S. Airlines Riled Over Heathrow

LONDON (Bloomberg) — Four U.S. airlines notified British antitrust officials on Thursday that strong measures were needed to prevent a proposed alliance between British Airways PLC and American Airlines Inc. from dominating trans-Atlantic travel.

Continental Airlines Inc. said the two carriers should give up to 400 of their weekly takeoff and landing slots at London's Heathrow Airport, compared with the 168 recommended in a December report by Britain's Office of Fair Trading. Trans World Airlines Inc., USAir Group Inc. and UAL Corp.'s United Airlines also filed their objections to the conditions in the agency's report.

• **International Business Machines Corp.** said it would make the contents of more than 2 million U.S. patent filings dating to 1971 available on the World Wide Web. The address of the IBM patent site is http://www.ibm.com/patents.

• **Mobil Corp.** signed a development deal with **Petroquimica de Venezuela SA** to build and operate a $1.6 billion petrochemical complex in eastern Venezuela.

• **The Surface Transportation Board** upheld **Conrail Inc.'s** agreement with its preferred partner, CSX Corp., to restrict Conrail from considering other merger proposals for two years. **Norfolk Southern Corp.**, a hostile bidder, wanted to block the lockout provision. *Bloomberg, AP, WP*

MARK: *German Unemployment Up in December to a Postwar Record as '96 Economic Growth Dips*

Continued from Page 1

center in part on the difficulty of keeping public spending down enough to meet the criteria, especially since higher unemployment inflates budget deficits because the government has to pay more benefits.

Also, in political terms, recent polls show that the majority of Germans are highly skeptical about giving up the solid Deutsche mark for a new European currency that might be weaker. A poll by Die Woche newspaper this week showed that 73 percent of Germans want a referendum on whether the mark should be replaced by the euro.

Speaking at a news conference Thursday, Mr. Kohl said he was "strongly against" holding a referendum on the introduction of the euro. "I am against that on principle," he said.

German business supports the single currency, Mr. Kohl contended, and citizens would be won over once the euro was launched.

Mr. Kohl insisted that Germany's recovery was soundly based although he called the unemployment figure "completely unacceptable" and pledged once again to make the jobs crisis his top priority.

But the chancellor also conceded that his often-stated goal of halving unemployment to 2 million people by the year 2000 was "ambitious" and he cautioned he could not promise the target would be achieved.

Mr. Kohl argued that "the signals are for recovery," for which there was "a solid basis," and he partly blamed frigid winter weather for the latest jobless rise and economic weakness. Economists say the cold spell could have a further negative impact on first-quarter economic performance.

The opposition Social Democrats said the government offered "no ideas and vague promises" to overcome the worst jobs crisis since the 1930s. "Mass unemployment threatens social stability in Germany," said the Social Democrats' economics spokesman, Ernst Schwanhold.

Compounding the gloom Thursday, a top German labor official indicated there could still be more bad news for Europe's most important economy. Bernhard Jagoda, who heads the German Federal Labor Office, said he could not rule out the prospect that unemployment would rise as much as 4.5 million in the next few months.

"If we have 4.148 million jobless in December and we have such bad weather in January, and if this continues until March, I cannot rule out figures hitting 4.5 million," Mr. Jagoda said at a news conference, talking about unadjusted figures. Many economists say Germany's unemployment rate could top 11 percent in another month or two.

Economists also fear that the single currency project is acting as a deflationary force on Europe's economies, because cutting public spending and raising taxes to meet the criteria are depressing economic activity when what is needed is a stimulus.

"Rising unemployment is pointing out the increasing burden that meeting the Maastricht criteria is placing on the European economy," said Mark Cliffe, an economist at HSBC Markets in London.

The Bundesbank left key interest rates unchanged Thursday, and Hans Tietmeyer, the bank's president, said in an interview that the current level of interest rates was not impeding growth.

■ Mark Sinks to 2-Year Low

The Deutsche mark tumbled, setting a two-year low against the dollar, after the German jobless report fueled expectations that rates would stay low, Bloomberg Business News reported from New York.

The dollar surged to 1.5809 DM, its strongest level since late 1994, and closed in New York at 1.5765 DM, up from a closing rate of 1.5750 DM on Wednesday.

Against other currencies, the dollar was quoted at 116.375 yen, up from 115.820 yen. It also rose to 1.3695 Swiss francs from 1.3645 francs and to 5.3223 French francs from 5.3205 francs. The pound rose to $1.6988 from $1.6880.

AMEX

Thursday's 4 p.m. Close

The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6552.55	6657.23	6544.86	6625.67	+76.19
Trans	2255.67	2279.40	2253.51	2271.08	+14.18
Util	233.86	236.16	233.65	235.48	+2.03
Comp	2047.27	2074.52	2046.89	2064.94	+20.19

Standard & Poors

	High	Low	Close	Chg.
Industrials	890.94	880.63	888.02	+7.39
Transp.	548.94	539.09	545.50	+6.41
Utilities	201.52	199.74	201.08	+1.23
Finance	83.24	81.91	82.73	+0.82
SP 500	757.68	748.41	754.85	+6.44
SP 100	742.76	733.22	739.42	+6.20

NYSE

	High	Low	Last	Chg.
Composite	399.82	395.25	398.58	+3.33
Industrials	505.73	499.82	504.22	+4.40
Transp.	356.40	352.35	355.08	+2.40
Utility	260.95	258.86	260.26	+1.32
Finance	356.17	351.73	354.84	+3.11

Nasdaq

	High	Low	Last	Chg.
Composite	1326.88	1322.83	1326.88	+6.53
Industrials	1139.21	1135.20	1139.21	+7.31
Banks	1285.15	1279.42	1282.16	+3.93
Insurance	1444.11	1439.27	1441.53	—1.93
Finance	1605.76	1602.43	1604.54	+1.60
Transp.	914.32	908.55	911.72	+5.48

AMEX

	High	Low	Last	Chg.
	581.74	576.72	581.74	+5.02

Dow Jones Bond

	Close	Chg.
20 Bonds	103.08	—0.11
10 Utilities	100.22	—0.15
10 Industrials	105.94	—0.07

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
ClAir B s	70710	28¾	27⅛	27⅞	—⅞
Seagate s	56410	46⅞	44	44⅝	+1⅜
Compaq	55224	75⅛	72¾	75	+1⅞
K mart	52545	11⅛	10¾	11	+⅛
Motorola	48341	64⅝	62⅛	64	+1⅛
GRCda g	47708	8⅞	8⅛	8⅞	+⅝
TelMex	45474	37⅛	37	37¼	—⅛
PepsiCo s	41466	29⅝	29⅛	29¼	—⅛
AT&T s	39524	39⅞	38⅞	38⅞	+¼
WalMart	38062	24¼	23½	23⅞	+¼
OcciPet	38028	24⅞	23⅞	24⅜	+⅞
Iomega s	36672	17⅛	16⅝	16⅞	—⅛
FanniMae	35597	39⅝	38¼	39½	+1⅞
Limitd	35309	17¼	16½	16⅞	—⅜
CmpAsc s	33509	48⅝	47½	48⅛	—⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Shiva s	96676	21½	19⅝	20½	+1⅛
Intel	96252	144	141⅛	143	+⅛
Oracle s	90312	44	41⅝	41⅜	—1⅛
WorldCm s	63412	27⅜	26⅝	27⅛	+⅛
Netscape	63038	49	46	48⅞	[illegible]
Microsft s	59081	83⅛	82¼	82⅞	—1
DellCpt s	55921	58¼	57	57⅞	+1
Staples	55504	20½	19⅜	20⅛	+1⅛
Ascend	54083	65⅛	62	63⅛	—½
PriceCst	52294	26⅛	25⅞	26⅛	+1⅞
3Com	51073	74⅛	71	73⅝	+1¼
C-Phone	48842	13⅛	8⅞	12⅛	+5⅛
MedTech	48215	[illegible]	[illegible]	[illegible]	[illegible]
SunMic s	45710	27⅜	26¼	27⅛	+⅛
MCI	45325	33⅛	32⅜	33	+⅛

AMEX

	Vol.	High	Low	Last	Chg.
Harken	64365	3⅝	3½	3½	+⅛
Han wtB	26885	[illegible]	[illegible]	[illegible]	[illegible]
XCL Ltd	15643	[illegible]	[illegible]	[illegible]	[illegible]
TWA	14419	6⅝	[illegible]	[illegible]	[illegible]
SPDR	12495	75⅝	74⅝	75⅝	+⅞
ViacB	10038	36⅛	35⅝	35⅞	+⅛
EchoBay	8585	[illegible]	[illegible]	[illegible]	[illegible]
Audvox	8276	6⅞	[illegible]	[illegible]	[illegible]
DI Ind	6799	3⅛	2⅞	3	+⅛
Nabors	6775	21	20⅝	20⅞	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1431	1252
Declined	954	1289
Unchanged	764	812
Total issues	3149	3353
New Highs	219	184
New Lows	24	29

Nasdaq

	Close	Prev.
Advanced	2294	2198
Declined	1785	1875
Unchanged	1651	1658
Total issues	5730	5731
New Highs	226	200
New Lows	49	55

AMEX

	Close	Prev.
Advanced	300	256
Declined	214	238
Unchanged	224	187
Total issues	738	722
New Highs	33	28
New Lows	10	7

Market Sales

	Today Close	Prev. cons.
NYSE	554.39	671.93
Amex	29.97	30.18
Nasdaq	575.40	666.49

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Telefonica Espana	b	.7931	1-1	
STOCK SPLIT				
Fst Home Bancorp 4 for 3 split.				
Valspar Corp 2 for 1 split.				
REVERSE STOCK SPLIT				
Inco Homes 1 for 6 reverse split.				
INCREASED				
Brenton Banks	Q	.19	1-16	1-28
Harbor Fedl	Q	.35	1-27	2-20
Schulman A.	Q	.10511	2-5	
Washington Post	Q	.20	1-24	2-7
REDUCED				
USLife Income Fd	Q	.19	2-14	3-3
INITIAL				
Bridge View Bncp	-	.10	1-15	2-1
Fst Home Bncp n	-	.10	1-22	2-14

Company	Per	Amt	Rec	Pay
REGULAR				
CA Independ Bn	Q	.11	1-31	2-14
CB Bncshrs	Q	.325	1-17	1-31
Colgate Palmolive	Q	.47	1-27	2-17
Eaton Vance Corp	Q	.20	1-31	2-10
EatonVn Cl TotRt	M	.021	1-15	1-22
EatonVn Mar Tot	M	.025	1-8	1-15
EatonVn Trad Tot	M	.028	1-15	1-31
Ford Motor	Q	.385	1-30	3-1
Giant Food	Q	.19	1-31	2-28
Hancock Pat PrDv	M	.0467	1-17	1-31
Hollinger Inc g	Q	.15	2-26	3-10
NewHampsh Thr	Q	.125	1-18	1-27
NorAm Energy	Q	.07	2-14	3-14
Northland Cran	Q	.04	1-24	2-14
Orange & Rockland	Q	.645	1-20	2-1
Putnam AmGvtn	M	.036	1-8	1-15
Putnam USGv B.	M	.058	1-8	1-15
ReliaStar Fncl	Q	.28	1-27	2-14
Weyerhauser	Q	.40	1-31	3-3

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y - ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Jan. 9, 1997

Grains

	High	Low	Close	Chge	OpInt
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	2.59½	2.58	2.58¼	—0.01	147,112
May 97	2.59¼	2.58	2.58¼	—0.01¼	55,181
Jul 97	2.61	2.59	2.59¼	—0.01¼	54,554
Sep 97	2.59	2.55	2.57¼	—0.01	6,790
Dec 97	2.58¼	2.57	2.57¼	—0.00¼	37,593
Est. sales N.A. Wed's. sales 56,129					
Wed's open int 305,193 off 1674					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jan 97	227.10	226.00	226.50	—0.40	8,222
Mar 97	220.20	219.20	220.10	—0.10	33,924
May 97	217.00	215.80	216.90	+0.20	17,844
Jul 97	216.90	215.70	216.60	+0.20	14,110
Aug 97	215.50	214.50	215.20	+0.10	2,758
Sep 97	212.50	211.50	211.70	+0.40	2,257
Est. sales N.A. Wed's. sales 22,004					
Wed's open int 81,570 up 315					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jan 97	23.50	23.18	23.47	+0.37	4,462
Mar 97	23.85	23.45	23.76	+0.31	46,784
May 97	24.10	23.80	24.06	+0.26	15,625
Jul 97	24.40	24.10	24.37	+0.28	11,467
Aug 97	24.45	24.25	24.45	+0.24	2,230
Sep 97	24.55	24.40	24.55	+0.23	2,091
Est. sales N.A. Wed's. sales 19,960					
Wed's open int 85,238 up 727					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jan 97	6.96¼	6.93	6.95¾	+0.00¾	7,091
Mar 97	7.00	6.94	6.99¼	+0.03¼	66,309
May 97	7.00	6.94	6.99¼	+0.04	28,176
Jul 97	7.01½	6.94	7.00¾	+0.05	25,634
Aug 97	7.00	6.94	6.99½	+0.05¼	3,831
Est. sales N.A. Wed's. sales 30,980					
Wed's open int 144,151 off 611					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	3.95	3.88	3.89¼	—0.05¼	32,742
May 97	3.73½	3.66	3.67½	—0.04¼	8,017
Jul 97	3.50	3.44	3.45¼	—0.03¼	20,249
Sep 97	3.51½	3.48½	3.48½	—0.05½	1,062
Est. sales N.A. Wed's. sales 13,450					
Wed's open int 63,011 up 231					

Livestock

	High	Low	Close	Chge	OpInt
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 97	65.25	64.72	64.92	+0.65	33,586
Apr 97	66.40	65.85	66.35	+0.70	26,900
Jun 97	63.85	63.27	63.77	+0.55	11,251
Aug 97	63.72	63.27	63.65	+0.53	11,208
Oct 97	66.45	66.02	66.35	+0.33	6,982
Dec 97	67.82	67.37	67.67	+0.30	2,727
Est. sales 20,085 Wed's. sales 14,685					
Wed's open int 93,278 up 78					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 97	68.75	67.80	68.70	+1.03	2,696
Mar 97	69.15	68.05	69.10	+1.18	6,587
Apr 97	69.47	68.42	69.42	+1.02	2,417
May 97	69.75	69.10	69.72	+0.77	3,355
Aug 97	71.70	71.10	71.70	+0.73	2,480
Sep 97	71.70	70.90	71.70	+0.98	389
Est. sales 4,849 Wed's. sales 2,299					
Wed's open int 18,609 up 256					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 97	78.10	77.25	77.62	—0.03	13,278
Apr 97	76.30	75.60	76.02	—0.03	7,609
Jun 97	79.30	78.72	79.05	—0.10	6,395
Jul 97	76.77	76.20	76.67	+0.25	1,330
Aug 97	73.90	73.20	73.80	+0.43	1,196
Oct 97	67.30	66.92	67.25	+0.15	1,179
Est. sales 7,910 Wed's. sales 10,516					
Wed's open int 31,996 up 970					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	80.32	78.52	78.57	—0.95	4,117
Mar 97	79.75	78.10	78.27	—0.68	1,048
May 97	80.40	79.27	79.30	—0.15	942
Jul 97	79.40	78.33	78.95	+0.03	521
Aug 97	75.50	74.25	74.25	+0.05	277
Est. sales 3,080 Wed's. sales 3,069					
Wed's open int 6,905 off 289					

Food

	High	Low	Close	Chge	OpInt
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1356	1345	1352	—5	29,039
May 97	1379	1369	1374	—6	15,489
Jul 97	1400	1391	1394	—6	11,887
Sep 97	1421	1413	1414	—6	7,078
Dec 97	1437	1430	1434	—6	2,096
Est. sales 12,042 Wed's. sales 8,817					
Wed's open int 82,398 up 926					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	119.85	117.75	119.35	+0.45	21,718
May 97	117.40	115.80	117.15	+0.55	7,325
Jul 97	115.25	114.25	115.00		2,653
Sep 97	113.00	112.10	112.75	—0.15	1,887
Est. sales 7,048 Wed's. sales 10,442					
Wed's open int 35,196 up 777					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.84	10.61	10.72	—0.15	78,839
May 97	10.92	10.72	10.83	—0.11	33,125
Jul 97	10.94	10.68	10.77	—0.10	25,883
Oct 97	10.80	10.64	10.74	—0.10	15,057
Est. sales 28,859 Wed's. sales 9,487					
Wed's open int 158,853 off 578					

	High	Low	Close	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 97	78.15	76.00	76.00	—3.15	712
Mar 97	79.90	77.80	77.85	—2.25	20,540
May 97	83.20	81.05	81.30	—2.20	4,863
Jul 97	86.65	84.50	84.25	—2.30	993
Est. sales N.A. Wed's. sales 2,942					
Wed's open int 27,732 up 452					

Metals

	High	Low	Close	Chge	OpInt
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jan 97			357.80	-2.00	
Feb 97	359.20	355.00	358.80	-2.00	102,901
Mar 97			359.50	-2.00	
Apr 97	360.90	356.80	360.50	+2.00	28,645
Jun 97	363.00	359.60	362.80	-2.10	17,195
Aug 97	365.00	363.60	365.10	-1.90	5,666
Oct 97			367.50	-2.00	2,489
Dec 97	369.80	367.00	369.90	+2.00	14,681
Est. sales N.A. Wed's. sales 48,999					
Wed's open int 206,319 up 4907					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jan 97	109.40	106.70	108.95	-1.95	4,661
Feb 97	107.85	105.50	107.85	-1.95	2,179
Mar 97	106.80	104.30	106.55	+1.75	25,337
Apr 97	104.50	104.50	104.35	+1.55	978
May 97	102.80	101.80	102.70	+1.50	5,268
Jun 97	101.00	100.50	101.55	+1.40	767
Jul 97	100.50	99.00	100.30	+1.40	3,624
Aug 97			99.40	+1.40	583
Sep 97	98.50	98.50	98.30	-1.40	2,583
Est. sales N.A. Wed's. sales 9,009					
Wed's open int 54,597 off 195					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jan 97			469.7	+7.5	6
Feb 97			471.6	+7.5	2
Mar 97	476.0	466.0	473.5	+7.5	61,364
May 97	479.5	472.5	477.9	+7.6	9,904
Jul 97	485.0	476.5	482.4	-7.6	8,280
Sep 97	486.0	485.0	486.9	+7.6	2,958
Dec 97	495.0	486.5	493.7	+7.6	5,016
Jan 98			496.5	-7.6	9
Est. sales N.A. Wed's. sales 14,350					
Wed's open int 89,733 up 412					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 97	362.80	360.00	362.00	+2.60	105
Apr 97	367.80	364.00	366.50	+2.60	19,360
Jul 97	370.00	370.00	369.00	+2.60	2,504
Oct 97			371.50	+2.60	2,169
Jan 98	373.00	373.00	374.00	+2.60	1,073
Est. sales N.A. Wed's. sales 2,590					
Wed's open int 25,211 off 376					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1576½	1577½	1545.00	1546.00
Forward	1607.00	1608.00	1577.00	1577½
Copper Cathodes (High Grade)				
Spot	2388.00	2390.00	2381.00	2382.00
Forward	2252.00	2253.00	2242.00	2243.00
Lead				
Spot	681.00	682.00	689.00	690.00
Forward	689.00	690.00	697.00	698.00
Nickel				
Spot	7100.00	7110.00	7060.00	7065.00
Forward	7195.00	7200.00	7165.00	7166.00
Tin				
Spot	5785.00	5795.00	5775.00	5780.00
Forward	5845.00	5850.00	5835.00	5840.00
Zinc (Special High Grade)				
Spot	1041.00	1042.00	1047.00	1047½
Forward	1063.00	1064.00	1070.00	1071.00

Financial

	High	Low	Close	Chge	OpInt
US T. BILLS (CMER) $1 million- pts of 100 pct					
Mar 97	94.94	94.91	94.93	+0.02	4,925
Jun 97	94.79	94.73	94.79	+0.03	2,653
Sep 97	94.60	94.59	94.60	+0.05	110
Est. sales N.A. Wed's. sales 344					
Wed's open int 7,688 off 12					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	106-115	105-29	106-105	+ 075	159,859
Jun 97	106-015	105-26	106-015	+ 075	3,136
Est. sales N.A. Wed's. sales 32,128					
Wed's open int 162,995 off 1040					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	108-22	107-30	108-20	+ 12	307,470
Jun 97	108-02	107-22	108-01	+ 12	11,196
Sep 97			107-18	+ 12	180
Est. sales N.A. Wed's. sales 64,983					
Wed's open int 318,846 up 4512					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	111-16	110-08	111-13	+ 23	439,275
Jun 97	110-31	109-26	110-29	+ 23	15,990
Sep 97	110-15	107-21	110-15	+ 23	5,245
Dec 97	110-01	108-31	110-01	+ 23	3,670
Est. sales N.A. Wed's. sales 252,995					
Wed's open int 464,238 off 853					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	100.32	99.69	100.27	+0.43	212,389
Jun97	99.37	98.91	99.36	+0.44	1,143
Est. sales: 207,915. Prev. sales: 160,260					
Prev. open int.: 213,532 off 1,581					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar97	109-02	108-05	108-31	+ 0-17	136,217
Jun97	N.T.	N.T.	108-11	+ 0-17	
Est. sales: 60,108. Prev. sales: 32,927					
Prev. open int.: 136,305 up 3,019					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	128.80	128.06	128.76	+0.54	121,995
Jun 97	127.06	126.76	127.36	+0.52	8,425
Sep 97	125.26	125.12	125.68	+0.48	100
Dec 97	N.T.	N.T.	95.12	+0.54	0
Est. volume: 156,020. Open int.: 130,520 up 4,581.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	128.81	127.85	128.73	+ 0.69	91,997
Jun97	128.38	127.78	128.36	+ 0.72	1,528
Est. sales: 55,486. Prev. sales: 36,903					
Prev. open int.: 93,525 up 2,365					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Jan 97	94.450	94.435	94.445	+5	24,141
Feb 97	94.420	94.410	94.420	+10	4,460
Mar 97	94.400	94.360	94.400	+20	408,726
Jun 97	94.230	94.120	94.220	+30	336,778
Mar 00	93.260	93.170	93.250	+70	37,790
Jun 00	93.200	93.100	93.190	+70	35,488
Sep 00	93.140	93.060	93.140	+70	30,845
Dec 00	93.050	92.960	93.050	+70	24,389
Est. sales N.A. Wed's. sales 307,421					
Wed's open int 2,114,939 up 4096					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6944	1.6838	1.6928	+80	40,889
Jun 97	1.6898	1.6840	1.6888	+80	2,214
Sep 97			1.6848	+80	1,027
Dec 97			1.6808	+80	7
Est. sales N.A. Wed's. sales 6,879					
Wed's open int 44,137 off 588					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7443	.7413	.7432	—1	44,747
Jun 97	.7482	.7462	.7472	—1	7,973
Sep 97	.7503	.7503	.7507	—1	3,424
Dec 97	.7546	.7535	.7540	—1	361
Est. sales N.A. Wed's. sales 14,377					
Wed's open int 56,511					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.6388	.6350	.6363	—14	66,487
Jun 97	.6425	.6400	.6403	—14	5,098
Sep 97			.6444	—14	1,775
Dec 97			.6485	—14	17
Est. sales N.A. Wed's. sales 25,932					
Wed's open int 73,297 up 4275					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.008722	.008665	.008672	—49	68,384
Jun 97	.008829	.008781	.008784	—50	1,857
Sep 97	.008919	.008910	.008902	—50	370
Est. sales N.A. Wed's. sales 11,577					
Wed's open int 70,708 off 409					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.7395	.7339	.7341	—35	45,168
Jun 97	.7458	.7406	.7409	—35	1,543
Sep 97	.7525	.7485	.7479	—35	1,832
Est. sales N.A. Wed's. sales 13,953					
Wed's open int 48,564 off 1496					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Mar97	96.91	96.88	96.89	—0.01	214,276
Jun97	96.88	96.84	96.87	Unch.	172,578
Sep97	96.78	96.73	96.77	+0.02	142,224
Dec97	96.59	96.52	96.58	+0.03	126,344
Mar98	96.39	96.28	96.37	+0.06	88,077
Jun98	96.14	96.02	96.12	+0.07	74,733
Sep98	95.84	95.72	95.83	+0.08	64,312
Dec98	95.53	95.42	95.53	+0.09	56,252
Mar99	95.25	95.15	95.24	+0.08	38,417
Jun99	95.00	94.89	94.97	+0.09	22,613
Sep99	94.70	94.61	94.72	+0.10	15,300
Dec99	94.44	94.35	94.45	+0.10	3,377
Est. sales: 240,568. Prev. sales: 182,836					
Prev. open int.: 1,018,513 up 13,869					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.41	93.35	93.40	+0.03	97,164
Jun97	93.12	93.05	93.12	+0.06	89,618
Sep97	92.89	92.82	92.88	+0.04	56,174
Dec97	92.72	92.65	92.71	+0.04	45,934
Mar98	92.62	92.54	92.61	+0.05	33,564
Jun98	92.54	92.46	92.53	+0.04	25,064
Sep98	92.47	92.41	92.47	+0.05	18,796
Dec98	92.39	92.33	92.39	+0.06	15,625
Mar99	92.27	92.26	92.32	+0.06	7,860
Jun99	92.25	92.19	92.25	+0.06	5,409
Sep99	92.12	92.12	92.18	+0.07	4,852
Dec99	92.07	92.07	92.11	+0.05	1,550
Est. sales. 57,523. Prev. sales: 60,601					
Prev. open int.: 401,110 up 6,491					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.78	96.74	96.77	+0.01	82,005
Jun 97	96.81	96.76	96.79	+0.01	41,799
Sep 97	96.74	96.68	96.74	+0.04	28,985
Dec 97	96.63	96.56	96.63	+0.05	19,347
Mar 98	96.45	96.35	96.44	+0.04	15,317
Jun 98	96.23	96.15	96.23	+0.06	12,778
Sep 98	95.99	95.91	95.98	+0.05	11,255
Dec 98	95.70	95.65	95.69	+0.05	8,719
Mar 99	95.42	95.36	95.40	+0.06	11,432
Jun 99	95.13	95.06	95.11	+0.06	5,611
Sep 99	94.86	94.78	94.84	+0.06	2,185
Dec 99	94.60	94.53	94.58	+0.06	944
Est. volume: 51,600. Open int.: 240,377 up 7,191.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	93.40	93.36	93.39	—0.01	100,739
Jun97	93.88	93.80	93.87	+0.03	58,417
Sep97	94.10	94.01	94.10	+0.06	33,026
Dec97	94.16	94.04	94.15	+0.08	18,498
Mar98	94.14	94.03	94.14	+0.09	12,514
Jun98	94.09	94.00	94.09	+0.08	3,087
Est. sales: 35,502. Prev. sales: 31,616					
Prev. open int.: 236,281 up 9,105					

Industrials

	High	Low	Close	Chge	OpInt
COTTON 2 (NCTN) 50,000 lbs.- cents per lb					
Mar 97	73.95	73.54	73.56	—0.40	23,172
May 97	75.35	75.00	75.02	—0.33	14,428
Jul 97	76.45	76.05	76.07	—0.36	7,624
Oct 97	76.60	76.30	76.30	—0.42	1,306
Dec 97	76.35	75.95	76.00	—0.47	9,812
Mar 98	77.28	77.00	76.95	—0.42	456
Est. sales N.A. Wed's. sales 9,187					
Wed's open int 57,235 up 1303					
HEATING OIL (NMER) 42,000 gal- cents per gal					
Feb 97	74.25	72.50	73.05	—0.38	43,950
Mar 97	71.80	70.30	70.88	—0.34	17,158
Apr 97	68.15	66.90	67.33	—0.34	9,024
May 97	64.75	64.00	64.08	—0.34	4,409
Jun 97	62.45	61.40	61.83	—0.34	5,465
Jul 97	61.30	60.95	60.78	—0.34	3,284
Aug 97	61.30	60.80	60.73	—0.34	3,187
Sep 97	61.00	61.00	60.93	—0.34	2,864
Oct 97	61.55	61.55	61.18	—0.34	1,811
Nov 97	61.80	61.80	61.43	—0.34	1,238
Est. sales N.A. Wed's. sales 35,888					
Wed's open int 100,713 up 991					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Feb 97	26.74	26.25	26.35	—0.27	89,900
Mar 97	26.05	25.60	25.70	—0.23	50,762
Apr 97	25.30	24.95	25.03	—0.21	30,729
May 97	24.60	24.30	24.36	—0.20	20,650
Jun 97	23.95	23.60	23.77	—0.14	31,565
Jul 97	23.25	23.10	23.17	—0.16	14,234
Aug 97	22.75	22.58	22.75	—0.07	13,553
Sep 97	22.27	22.10	22.20	—0.16	13,712
Oct 97	21.75	21.72	21.74	—0.19	8,958
Nov 97	21.49	21.34	21.35	—0.22	8,120
Dec 97	21.20	20.95	21.04	—0.23	23,137
Jun 98	20.05	20.05	20.05	—0.13	72,555
Dec 98	19.59	19.50	19.55	—0.16	8,717
Est. sales N.A. Wed's. sales 104,008					
Wed's open int 378,611 up 5880					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Feb 97	3.570	3.250	3.470	—43	32,428
Mar 97	3.150	2.950	3.070	—106	24,526
Apr 97	2.665	2.520	2.600	—63	11,983
May 97	2.350	2.250	2.320	—25	10,450
Jun 97	2.250	2.170	2.210	—35	8,398
Jul 97	2.200	2.170	2.190	—35	7,747
Aug 97	2.205	2.160	2.190	—30	7,026
Sep 97	2.205	2.165	2.185	—35	6,599
Oct 97	2.210	2.175	2.190	—35	6,936
Nov 97	2.320	2.290	2.315	—15	3,946
Dec 97	2.430	2.400	2.430		7,590
Est. sales N.A. Wed's. sales 41,753					
Wed's open int 157,922 up 1531					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Feb 97	72.25	70.40	70.40	—1.79	36,215
Mar 97	71.90	70.50	70.50	—1.42	12,523
Apr 97	73.35	72.20	72.20	—1.00	6,940
May 97	72.20	72.00	72.00	—0.40	5,014
Jun 97	70.85	70.30	70.30	—0.60	3,791
Jul 97	69.20	69.00	69.20	—0.20	1,567
Est. sales N.A. Wed's. sales 29,373					
Wed's open int 66,625 up 3224					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jan 97	235.25	232.75	233.75	+3.50	10,261
Feb 97	231.25	228.50	230.75	+4.75	27,912
Mar 97	220.50	218.75	220.25	+4.00	10,846
Apr 97	210.25	208.75	209.75	+3.00	8,151
May 97	202.00	200.50	201.25	+2.25	3,158
Jun 97	196.00	194.50	195.25	+2.25	7,353
Jul 97	193.00	192.75	192.75	+2.25	2,474
Aug 97	N.T.	N.T.	191.75	+2.25	1,016
Sep 97	N.T.	N.T.	190.50	+2.25	498
Oct 97	N.T.	N.T.	189.75	+2.25	831
Nov 97	N.T.	N.T.	189.25	+2.25	310
Est. sales: 31,031. Open int.: 75,078 off 3,341					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Feb 97	24.91	24.53	24.57	—0.23	42,745
Mar 97	24.36	23.99	24.00	—0.19	45,457
Apr 97	23.73	23.39	23.39	—0.19	18,194
May 97	23.07	22.84	22.78	—0.17	11,870
June 97	22.48	22.25	22.17	—0.16	17,083
July 97	21.90	21.70	21.60	—0.18	10,401
Aug 97	21.38	21.30	21.12	—0.18	2,584
Sep 97	21.03	20.90	20.70	—0.18	5,545
Oct 97	20.61	20.57	20.30	—0.23	3,222
Nov 97	N.T.	N.T.	19.95	—0.27	2,857
Est. sales: 38,505. Open int.:163,779 up 1,875					

Stock Indexes

	High	Low	Close	Chge	OpInt
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	764.40	752.50	761.90	+ 6.40	189,893
Jun 97	771.00	761.60	767.70	+ 5.50	8,042
Sep 97	778.00	768.40	776.00	+ 6.80	1,573
Dec 97	785.00	776.20	781.50	+ 4.90	574
Est. sales N.A. Wed's. sales 83,511					
Wed's open int 200,082 up 4963					
FTSE 100 (LIFFE) £25 per index point					
Mar97	4063.0	4048.0	4086.0	Unch.	56,864
Jun97	N.T	N.T	4110.0	+ 2.0	2,844
Sep97	N.T	N.T	4136.0	Unch.	1,382
Est. sales: 11,086. Prev. sales: 10,727					
Prev. open int.: 61,090 up 382					
CAC 40 (MATIF) FF200 per index point					
Jan 97	2355.0	2324.0	2351.0	+15.00	22,298
Feb 97	2354.5	2332.5	2356.0	+15.50	3,566
Mar 97	2365.5	2338.0	2361.0	+15.09	16,122
Jun 97	2310.0	2305.0	2322.5	+15.00	1,025
Sep 97	N.T.	N.T.	2332.5	+15.00	6,276
Mar 98	2357.0	2357.0	2369.5	+15.00	4,743
Sep 98	2332.0	2332.0	2344.5	+13.50	660
Est. volume: 15,996. Open int.: 54,689 up 2,850.					

Commodity Indexes

	Close	Previous
Moody's	1,441.90	1,451.20
Reuters	1,885.20	1,890.00
D.J. Futures	148.24	148.13
CRB	241.71	242.17

Paribas Sells Credit du Nord

Societe Generale Buys Bank as Industry Consolidates

Compiled by Our Staff From Dispatches

PARIS — Compagnie Financiere de Paribas SA said Thursday it would sell Credit du Nord, its retail banking unit, to Societe Generale SA, eliminating what has long been a source of losses and refocusing on more lucrative investment banking and lending activities.

Paribas will receive 2.2 billion French francs ($414 million) from Societe Generale over three years. The price is a 600 million-franc premium over Credit du Nord's book value, Paribas said.

Societe Generale will also buy 2.5 billion francs of Credit du Nord stock as part of an immediate capital increase designed to improve the retail bank's finances.

The acquisition would allow Paribas, a financial-services company, to concentrate on its core businesses. The move also would swell Societe Generale's domestic market share, allowing it to leap over its closest rivals, as the French banking industry slowly consolidates.

Paribas shares rose 4 percent to 354.20 francs Thursday in Paris. Shares of Societe Generale, France's biggest bank in terms of market capitalization, rose 2.2 percent to 552 francs.

"This is very good news for Paribas, both financially and strategically," said Frederique Haftmann, a banking analyst with Cholet-Dupont CLS in Paris. "They're getting a good price for Credit du Nord and will now be able to specialize in investment banking and consumer lending."

Analysts said the transaction's appeal was less obvious from Societe Generale's standpoint.

"For Societe Generale, 4.7 billion francs is a lot to spend on Credit du Nord," said Ms. Haftmann. "What are they getting in return? This is a small operation that is not going to beef up their market share significantly."

Buying Credit du Nord will raise Societe Generale's retail banking market share to 7.55 percent from its current 6.35 percent, allowing it to jump from number six to number four, past rivals Banque Nationale de Paris SA and Credit Mutuel, a mutually owned bank.

Credit du Nord had posted annual losses since 1992, chiefly because of difficulty with property loans. But the bank's earnings in the first half of 1996 rose fivefold to 90.1 million francs, buoyed by a decline in loss provisions, after Paribas removed millions of francs of unprofitable real-estate assets from its books. *(Bloomberg, AFX)*

■ Credit Lyonnais Talks End

A Credit Lyonnais SA board meeting to discuss the debt-ridden state-owned bank's third rescue plan ended up with Chairman Jean Peyrelevade refusing to comment, Bloomberg Business News reported from Paris.

The plan is expected to entail a cash injection of between 8 billion to 12 billion francs by the French state to improve the finances of the unprofitable bank.

The bank's two other bailouts, carried out in 1995 and 1996, will cost French taxpayers at least 100 billion francs, according to estimates.

Mr. Peyrelevade has said the latest restructuring plan would involve the closing of between 100 and 200 branches in France and would be coupled with about 5,000 job cuts by the end of next year, shrinking the bank's staff to 30,000.

Italy Likely to Move Fast on Budget

Compiled by Our Staff From Dispatches

MILAN — Italy is likely to push through a supplementary budget as early as next month to plug a gap in state finances, keeping alive a quest to join European economic and monetary union in the first round.

Enrico Micheli, cabinet undersecretary, sent a powerful signal that action may be expected sooner rather than later when he said Wednesday night the government should not wait until a quarterly report on state accounts was published in March before making a move.

Mr. Micheli said that a supplementary budget was a possibility. "Perhaps we should not even wait for the quarterly accounts to reach a conclusion," he said.

Prime Minister Romano Prodi previously said that no steps would be taken until the quarterly accounts were out.

The government pushed an uncompromising budget through Parliament in December.

The budget was tailored to slice 62.5 trillion lire ($40.61 billion) off the public-sector deficit budget and ensure that Italy made the grade for European economic and monetary union membership at its outset in 1999.

But hopes of cutting the public-sector deficit to 3 percent of gross domestic product by the end of 1997, thereby meeting one of the key qualifying criteria for joining the single European currency, were jolted when the Treasury revealed a larger-than-expected deficit for 1996.

That left the government with an even higher mountain to climb to curb state spending.

Treasury estimates published last week showed a 1996 public deficit of 138.5 trillion lire, well above a revised government target of 123.0 trillion.

Economists have estimated that a supplementary budget would have to raise up to 25 trillion lire through spending cuts and tax increases to keep Italy on course for the 3 percent deficit target.

But it is widely believed that the minibudget may be more modest in scope, possibly aiming to raise no more than 15 trillion lire.

"If they do it quickly, the budget can be smaller in size than if they wait until April or May," said Giovanna Mossetti, an economist at Caboto SIM, the Milan investment house.

"A 15 trillion lire budget will be hard enough to achieve politically, and anything bigger is difficult to imagine."

Giorgio Fossa, chairman of the business association Confindustria, said Thursday that the government needed rapidly to carry out a supplementary 1997 budget focusing on spending cuts to adjust public accounts.

He said the government should avoid introducing new taxes and focus on reducing spending for "pensions, health care and public employment that represent 80 percent of the outlay." *(Reuters, AFX)*

Swiss Firms Turn To IPOs as Banks Hold Back on Credit

Bloomberg Business News

ZURICH — Swiss banks' growing reluctance to lend is helping to fuel a boom in that country's initial public offerings.

In the past year, nine companies raised 1.3 billion Swiss francs ($953 million), making it the busiest year in a decade for new offerings and the pace shows no signs of slowing.

Novartis AG, the world's second-largest drugmaker born of a merger between Ciba-Geigy AG and Sandoz AG, plans to list shares in Ciba-Geigy's specialty chemicals unit by March. Komex Holding AG, which builds machines that make electronic wires, and the state-owned Swiss PTT Telecom are both planning to make debuts on the Swiss exchanges.

"For a long time, Nasdaq was considered to be the only exchange that offered a possibility for small-cap companies," said Sergio Terribilini, deputy director of Bank J. Vontobel, which managed four offerings last year. "Now Switzerland can hold its own in that respect."

This surge in offerings, in a country that averages about three annually, is even more impressive considering it comes in the hefty shadow of Deutsche Telekom's $10 billion share sale in November, the third-largest IPO ever.

Switzerland's hectic pace is happening for several reasons. The rising failures last year of small and mid-sized companies, which are expected to top the 1993 record of 4,451 bankruptcies, are leaving creditors in the lurch and reluctant to lend.

Credit Suisse Group, Switzerland's second-largest financial services company, said recently it would take a one-time charge of 5.1 billion francs to cover bad loans to failing small and mid-sized Swiss companies as well as the effects of a slump in real estate. Union Bank of Switzerland and Swiss Bank Corp., the country's other major banks, said in the autumn they would absorb similar charges.

Investors, most of them institutional, are only too happy to step in where Swiss banks fear to tread. In December, for example, Elma Electronics AG, a spin-off of Sulzer AG, a maker of machine tools, offered 200,000 shares for 275 Swiss francs each. The stock was heavily oversubscribed, according to SBC Warburg, which managed the sale, and Elma rose 7.2 percent to 295 francs on the first day of trading. The share closed Thursday at 291.50 francs.

Investors are only too happy to step in where Swiss banks now fear to tread.

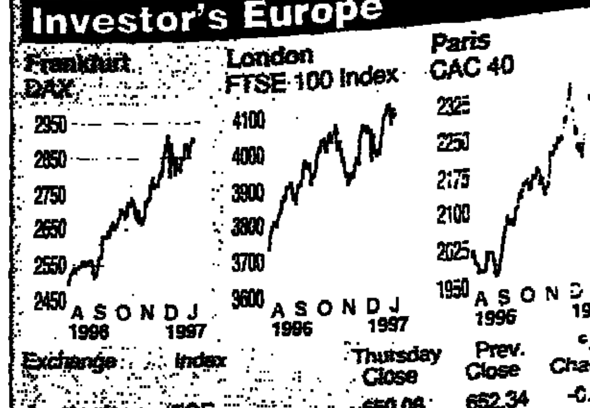
SEZ Holding AG, an Austrian semiconductor company, said in announcing its Swiss share sale last year that net profit had doubled to 4.8 million francs in the first nine months of last year, and that sales grew by 67 percent.

The higher the technology, the stronger the share's popularity has generally been. SEZ was the third Swiss chip-industry share to go public last year. In March, the integrated circuits maker Micronas Semiconductor Holding AG went public, followed in June by Christ AG, which makes semiconductor makers for water purification plants.

The boom in new shares is coming in a weak economy. Swiss gross domestic product is expected to grow only 0.5 percent this year, its seventh consecutive lean year, after shrinking about 0.7 percent in 1996.

The gloomy economy has created a sharper appetite for stocks among institutional investors, such as banks and pension funds, and small capital funds, which can afford the relatively high-priced shares. Only about 6 percent of the Swiss population own equities.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	EOE	650.08	652.34	-0.35
Brussels	BEL-20	1,929.62	1,904.82	+1.30
Frankfurt	DAX	2,892.63	2,906.34	-0.47
Copenhagen	Stock Market	486.67	486.65	Unch.
Helsinki	HEX General	2,613.87	2,616.71	-0.11
Oslo	OBX	560.01	559.96	+0.01
London	FTSE 100	4,087.00	4,087.50	-0.01
Madrid	Stock Exchange	453.98	453.93	+0.01
Milan	MIBTEL	11,099.00	10,730.00	+3.44
Paris	CAC 40	2,349.08	2,331.62	+0.75
Stockholm	SX 16	2,588.91	2,582.99	+0.23
Vienna	ATX	1,136.09	1,137.28	-0.10
Zurich	SPI	2,539.19	2,527.06	+0.48

Source: Telekurs — International Herald Tribune

Very briefly:

• **United & Philips Communications** has bought 70.2 percent of **Janco Kabel-TV AS**, a Norwegian cable television network, for an undisclosed sum. UPC, a joint venture between **Philips Electronics NV** of the Netherlands and **United International Holdings** of the United States, bought the stake from **Helsinki Media**, which will keep a minority stake.

• **British Airways PLC** received approval from a French commercial court to take over the administration of Air Liberte in a deal to rescue it from bankruptcy. British Airways has agreed to keep 1,250 of the airline's current 1,400 staff and invest at least 630 million francs ($118.6 million). Combined with its French subsidiary TAT, the takeover will give British Airways 20 percent of the French domestic market.

• **Siemens AG's KWU** power-generation unit plans to combine its fossil-fuel power operations in a joint venture with Westinghouse Inc. of the United States, industry sources said.

• **Kleinwort Benson Securities Ltd.** has been fined £30,000 ($50,650) by Britain's Securities and Futures Authority for irresponsible management of its internal affairs. The regulator said it also reprimanded and fined two former Kleinwort employees for mismarking, or recording the wrong dollar value, of convertible bonds and warrants on its own books.

• **France Telecom** presented the highest bid for a 51 percent stake in CI Telecom, the national carrier of Ivory Coast. The government will retain a 35 percent stake in the company, with the remaining shares offered to employees and local investors.

• **Rolls-Royce PLC's** chairman, Ralph Robins, said he expected demand for the next generation of large-capacity four-engined airliners to be more than 600 units. Rolls Royce has been developing engines for the so-called superjumbos.

• **British Steel PLC** shares fell after several brokerage houses cut their earnings estimates for the company on concern that the pound's strength will cut into profit. The shares closed at 153 pence ($2.58), down 1 penny. *AFP, AFX, Bloomberg, Reuters*

The Trib Index

Closing prices.

Jan. 1, 1992 = 100.

	Level	Change	% change	year to date % change
World Index	149.37	-0.03	-0.02	+13.27
Regional Indexes				
Asia/Pacific	117.85	-3.45	-2.84	-12.22
Europe	160.00	+0.94	+0.59	+14.96
N. America	186.48	+1.81	+1.10	+29.78
S. America	122.44	+0.29	+0.24	+37.51
Industrial Indexes				
Capital goods	174.08	+1.13	+0.65	+31.01
Consumer goods	161.95	+0.21	+0.13	+17.30
Energy	174.03	+2.24	+1.30	+28.32
Finance	112.84	-1.93	-1.68	-11.31
Miscellaneous	162.72	+0.08	+0.05	+19.81
Raw Materials	176.73	+1.04	+0.59	+24.63
Service	138.15	+0.36	+0.26	+15.12
Utilities	143.13	+0.37	+0.26	+12.58

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg Business News.*

WORLD STOCK MARKETS

Thursday, Jan. 9

Prices in local currencies.

Telekurs

Amsterdam

EOE index: 650.08 Previous: 652.34

	High	Low	Close	Prev.
ABN-AMRO	112	110.20	111.50	111.80
Aegon	112.80	111	111.90	112.10
Ahold	107	105.80	106.30	107.40
Akzo Nobel	249.50	246.70	248.30	246.60
Baan Co.	69.50	65.30	69.20	65.10
Bols Wess cva	31.80	31.10	31.40	31.70
CSM cva	93.60	93.20	93.40	94.20
Dordtsche Pet	324.20	321.50	323.10	323.30
DSM	171.50	170	171.30	170.60
Elsevier	28.60	28	28.10	28.60
Fortis Amev	62.30	61.10	62.20	62.30
Getronics	49.70	49	49.40	49.40
G-Broc cva	53.80	52.70	53.50	54
Hagemeyer	142.20	140	140.50	141.90
Heineken	311.50	307	309.80	312.80
Hoogovens cva	71.30	69.30	69.60	70.90
Hunt Douglas	121	119.50	120.80	121
ING Group	64.40	63.60	64.30	64.50
KLM	48.10	47.40	48.10	47.70
KNP BT	37.50	36.60	37.30	37.40
KPN	65.20	63.50	64.60	65.10
Nedlloyd Gp	47.60	46.70	47.50	47.80
Nutricia	263	260.20	261.50	263.20
Oce Grinten	194.90	193.30	194	194.50
Philips Elec	72.70	71	72.10	71.90
Polygram	86.40	84.90	86.40	86.20
Randstad Hdg	129.90	127.30	129.90	128
Robeco	144.60	143.70	143.70	144.40
Rodamco	50.40	50.10	50.20	50.20
Rolinco	150.60	150	150	151
Rorento	105.90	105.60	105.70	105.70
Royal Dutch	304	301	303.50	303.70
Unilever cva	300.80	298.50	300.80	300.30
Vendex Intl	80.10	79.10	79.60	80.50
VNU	37.80	36.90	37.80	37.80
Wolters Kl cva	223.50	220	221	223.90

Bangkok

SET Index: 843.22 Previous: 831.93

	High	Low	Close	Prev.
Adv Info Svc	274	262	268	256
Bangkok Bk F	280	272	272	272
Krung Thai Bk	56.50	53	56.50	51.50
PTT Explor	388	386	386	382
Siam Cement F	884	840	868	896
Siam Com Bk F	206	200	202	200
Telecomasia	52.50	50	50	52
Thai Airways	37.50	36.50	36.50	36.25
Thai Farm Bk F	191	184	189	184
Utd Comm	186	183	186	183

Bombay

Sensex 30 index: 3362.39 Previous: 3288.88

	High	Low	Close	Prev.
Bajaj Auto	942	914	941	917.75
Hindust Lever	875	836.25	872.75	838.25
Hindust Petm	349.75	335.25	344	336
Ind Dev Bk	108.25	100	108	100
ITC	330.50	321	330	323
Mahanagar Tel	238	231	238	231
Reliance Ind	222.75	216.75	222	218.25
State Bk India	255.50	248.75	255	250
Steel Authority	23.50	22.75	23.25	23
Tata Eng Loco	351	345.50	351	346.75

Brussels

BEL-20 index: 1929.62 Previous: 1904.82

	High	Low	Close	Prev.
Almanij	10650	10625	10650	10625
Barco Ind	5210	5150	5210	5200
BBL	6780	6670	6780	6660
Bekaert	19400	19250	19400	19275
CBR	3100	3075	3085	3090
CNP	1990	1970	1990	1960
Cobepa	1240	1216	1240	1220
Cockerill	122	120	122	121
Colruyt	13900	13750	13900	14000
Delhaize Lion	1955	1940	1955	1945
Electrabel	7540	7490	7520	7500
Electrafina	3050	3015	3050	3050
Fortis AG	5320	5200	5310	5200
Gevaert	2245	2205	2230	2250
GIB	1525	1450	1498	1452
GBL	4130	4115	4130	4115
Gen Banque	11575	11325	11575	11350
Kredietbank	10400	10250	10400	10250
Petrofina	10975	10700	10950	10725
Powerfin	4740	4720	4725	4730
Royale Belge	6700	6510	6690	6500
Soc Gen Belg	2545	2490	2545	2495
Solvay	19900	19550	19900	19725
Tractebel	14750	14625	14750	14725
UCB	84950	82300	84950	82450
Union Miniere	2130	2115	2125	2120

Copenhagen

Stock Index: 486.67 Previous: 486.65

	High	Low	Close	Prev.
BG Bank	296	262	294	290
Carlsberg B	400	393	393	397
Codan Fors	847.11	800	840	820
Danisco	359	355	358	359
Den Danske Bk	478	473	476	478
D/S Svendborg B	240500	235000	240500	236000
D/S 1912 B	167000	163000	165000	164500
FLS Ind B	786	770	786	780
Kob Lufthavne	651	641	644	650
Novo Nordisk B	544	511	537	544
Sophus Ber B	765	759	763	762
Tele Danmk B	326.82	313.31	326	326
Tryg Baltica	326	316	321	321
Unidanmark A	327	321	327	324

Frankfurt

DAX: 2892.63 Previous: 2906.34

	High	Low	Close	Prev.
AMB B	930	915	915	912
Adidas	144.50	142.50	143	141
Allianz Hdg	2695	2673	2697	2698
Altana	1230	1210	1220	1200
Bk Berlin	31.15	30.95	31.10	30.30
BASF	56.45	55.75	56.35	55.82
Bayer Hypo Bk	47.25	46.76	47.18	46.70
Bay.Vereinsbank	61.50	60.60	61.48	61.18
Bayer	60.22	59.10	59.55	59.80
Beiersdorf	78.40	77.10	77.10	78.10
BMW	1063	1051	1052	1053
Commerzbank	42.70	42.40	42.45	42.68
Daimler Benz	111.45	109.80	109.90	110.50
Degussa	676	670	672.50	674
Deutsche Bank	74.98	74.40	74.80	73.95
Deut Telekom	31.40	30.95	31.05	31.70
Dresdner Bank	48.70	48.50	48.65	49.20
Fresenius	309	307.80	307.50	308
Fresenius Med	139.90	139	139.70	138.70
Fried. Krupp	250.50	248	248	251
Gehe	97.70	95	95	96.20
Heidelbg Zmt	127.90	127.50	127.90	127
Henkel pfd	80.40	79.10	80.10	80.35
Hochtief	63.80	61.75	63.70	61.60
Hoechst	69.45	69.10	69.20	69.90
Karstadt	507	497	507	507
Linde	993	986	986	998
Lufthansa	21.75	21.20	21.75	21.55
MAN	403.90	399	403.50	403.50
Mannesmann	668	658.70	658.70	675
Metallgesellschaft	32.25	31.60	31.99	31.45
Metro	122.70	119	120	123.50
Munch Rueck R	3630	3600	3600	3664
Preussag	379.80	370	379.80	377.50
RWE	65.80	65.25	65.50	66.50
SAP pfd	215	214	214	213.90
Schering	132.80	131.80	132.20	132.50
Siemens	77.15	75.90	76.79	76.40
Thyssen	285.50	283	285	285.50
Veba	91.05	90.20	90.65	92.60
VEW	495	495	495	495
Viag	631	626	630.50	628.50
Volkswagen	691	687	690.50	675.50

Helsinki

HEX General index: 2613.87 Previous: 2614.71

	High	Low	Close	Prev.
Cultor 1	242	242	242	252
Enso A	39.20	38.30	38.50	39.20
Huhtamaki I	219	215	218	218
Kemira	57.40	57	57	57.30
Kesko	66.50	66	66.30	66.80
Merita A	14.30	14.10	14.30	14.20
Metra B	263	262	262	263
Metsa-Serla B	36.40	35.70	36.40	36.90
Neste	115	114	115	115
Nokia A	292.50	284.40	292.50	290.50
Orion-Yhtymae	177.50	177	177	178.50
Outokumpu A	78.50	78	78.50	78.50
Rautaruukki	45	44	44.50	44.90
Sampo Insor	372	366	370	368
UPM Kymmene	99.50	97	99.10	99.50
Valmet	82.50	81.90	82	82.50

Hong Kong

Hang Seng: 13198.11 Previous: 13454.93

	High	Low	Close	Prev.
Amoy Props	10.90	10.55	10.70	10.90
Bk East Asia	34.30	33.60	34.20	34.10
Cathay Pacific	11.90	11.75	11.80	11.90
Cheung Kong	74.50	71.25	72.25	74.75
CK Infrastruct	21.75	20.90	21.25	21.75
China Light	34	33.30	33.60	34.10
China Overs Ld	3.98	3.80	3.88	4.03
China Res Ent	16.75	16.10	16.40	16.75
Chin Estates	8.65	8.40	8.50	8.70
Citic Pacific	39.70	38.50	39.10	39.80
Cons Elec Pwr	18.25	18.20	18.20	18.20
Cosco Pacific	8.75	8.45	8.60	8.70
Dao Heng Bk	38.40	38.20	38.30	38.90
First Pacific	9.55	9.35	9.50	9.60
Great Eagle	33.40	32.40	32.70	33.20
Guangdong Inv	7.50	6.80	6.90	7.35
Guoco Group	44.70	44.20	44.40	44.60
Hang Lung Dev	16.50	16	16.15	16.55
Hang Seng Bk	92	90.50	91	92.25
Henderson Inv	9	8.80	8.90	9
Henderson Ld	75.25	72	73	76
HKR Intl	13.05	12.65	12.90	13.10
HK China Gas	14.80	14.50	14.60	14.90
HK Electric	27.15	26.70	26.95	27.15
HK Shang Htls	14.55	14.20	14.30	14.55
HK Telecomm	12.90	12.45	12.80	12.45
Hopewell Hdgs	4.80	4.68	4.73	4.80
HSBC Hdgs	167	164.50	166	167.50
Hutchison Wh	59.75	57.50	58.75	60.50
Hysan Dev	30	29.30	29.30	30.40
Johnson El Hdg	22.10	21.40	21.80	22.05
Kerry Props	20.15	20	20	20.20
Noh Mutual	7.25	7.05	7.10	7.10
New World Dev	52.50	49.80	51.25	54
N World Infrastr	22.30	22.10	22.20	22.20
Oriental Press	3.53	3.45	3.50	3.50
Pearl Oriental	4.93	4.83	4.93	4.85
Shanghai Indus	27.55	26.90	27.30	27.60
Shangri-La Asia	11.80	11.40	11.45	11.75
SHK Props	95	91.75	92.25	95.25
Shun Tak Hdgs	5.20	5.05	5.20	5.10
Sino Land Co.	9.25	8.90	9.15	9.25
Sth China Post	6.60	6	6.55	6.25
Swire Pac A	73.25	71.50	72	73.50
Tsim Sha Tsui	17	16.75	16.95	16.90
TV Broadcasts	30.50	30	30.50	30.50
Wharf Hdgs	38.40	37.30	38.10	38.60
Wheelock	21.70	20.70	21	21.80

Jakarta

Composite index: 657.43 Previous: 662.21

	High	Low	Close	Prev.
Astra Intl	5400	5375	5375	5425
Bk Intl Indon	1875	1825	1850	1900
Bk Negara	1275	1275	1275	1300
Gudang Garm	11725	11600	11625	11700
Indocement	3600	3575	3600	3600
Indofood	4900	4825	4875	4900
Indosat	6675	6650	6650	6725
Sampoerna HM	13450	13250	13375	13250
Semen Gresik	8000	7600	7600	8050
Telekomunikasi	4275	4150	4175	4275

Johannesburg

All Market: 6647.91 Previous: 6651.25

	High	Low	Close	Prev.
Amalgamtd Bks	24.95	24.80	24.95	24.95
AngloAm Coal	341.50	341.50	341.50	341.50
AngloAm Corp	254.50	252.75	254.25	254
AngloAm Gold	346.50	335	345	338
AngloAm Ind	168	167.50	167.50	168
Barlow	44	42.75	43.75	43
CG Smith	23.50	23	23	23.55
De Beers	131.50	130	131	130.75
Driefontein	44.50	43.50	44.50	44.35
Fst Natl Bk	24.25	23.75	23.75	24.25
Gencor	17.55	17.30	17.50	17.60
GFSA	120	118	120	124
Iscor	3.65	3.48	3.63	3.49
Liberty Hdgs	322.75	322	322.50	323
Liberty Life	119	118.50	119	119
Minorco	97	96	96.75	97.25
Nampak	18.90	18.20	18.75	18.50
Nedcor	65.50	64.25	65.25	64.25
Rembrandt Gp	42.05	41.50	42	42
Richemont	65.25	64.75	65	65
Rust Platinum	65	65	65	65.75
SA Breweries	121	119	120.25	119.50
Samancor	52.50	52	52	52.50
Sasol	56	55.25	56	55.50
SBIC	184.50	183.75	184.50	185.25
Tiger Oats	65	64.50	65	64.50

Kuala Lumpur

Composite: 1236.92 Previous: 1239.54

	High	Low	Close	Prev.
Genting	17.40	17.20	17.30	17.20
Mal Banking	26.75	26.25	26.75	26.25
Mal Intl Ship F	7.25	7.20	7.25	7.30
Petronas Gas	10.20	10.10	10.10	10.20
Renong	4.56	4.50	4.56	4.52
Resorts World	12.10	11.60	11.90	11.60
Sime Darby	10.40	10.20	10.40	10.30
Telekom Mal	22.10	21.30	21.50	22.10
Tenaga	12.40	12.10	12.30	12.40
Utd Engineers	24.30	23.80	24.10	23.90

London

FT-SE 100: 4087.00 Previous: 4087.50

	High	Low	Close	Prev.
Abbey Natl	7.67	7.58	7.65	7.57
Allied Domecq	4.40	4.23	4.34	4.30
Anglian Water	5.95	5.85	5.85	5.98
Argos	7.36	7.21	7.32	7.25
Asda Group	1.24	1.21	1.23	1.23
Assoc Br Foods	4.59	4.53	4.59	4.63
BAA	4.89	4.77	4.84	4.87
Barclays	10.60	10.15	10.38	10.29
Bass	8.22	8.14	8.21	8.22
BAT Ind	4.87	4.70	4.73	4.84
Bank Scotland	2.97	2.91	2.95	2.99
Blue Circle	3.77	3.73	3.74	3.77
BOC Group	9	8.22	8.79	8.95
Boots	6.23	6.17	6.20	6.24
BPB Ind	3.87	3.74	3.76	3.85
Brit Aerosp	12.57	12.40	12.53	12.46
Brit Airways	6.05	5.98	6.03	5.98
Brit Gas	2.24	2.19	2.21	2.21
Brit Land	5.30	5.25	5.28	5.28
Brit Petm	7.05	6.88	6.93	6.95
BSkyB	5.39	5.33	5.37	5.38
Brit Steel	1.54	1.50	1.53	1.54
Brit Telecom	3.95	3.91	3.94	3.95
BTR	2.63	2.57	2.61	2.60
Burmah Castrol	11.05	10.80	10.87	11.10
Burton Gp	1.55	1.52	1.54	1.55
Cable Wireless	4.84	4.72	4.79	4.73
Cadbury Schw	5	4.83	4.87	4.96
Carlton Comm	5	4.88	4.92	4.99
Coml Union	6.89	6.71	6.86	6.79
Compass Gp	6.18	6.10	6.18	6.13
Courtaulds	4.02	3.86	3.88	3.94
Dixons	5.10	4.99	5.08	5.16
Electrocomponents	4.53	4.50	4.52	4.53
EMI Group	13.55	13.32	13.46	13.56
Enterprise Oil	6.39	6.32	6.36	6.39
Fam Colonial	1.49	1.48	1.49	1.49
Genl Accident	7.65	7.45	7.63	7.53
GEC	4.04	3.95	4.02	3.98
GKN	10.17	10.02	10.15	10.03
Glaxo Wellcome	9	8.85	8.94	8.97
Granada Gp	8.63	8.55	8.61	8.63
Grand Met	5	4.39	4.45	4.43
GRE	2.71	2.64	2.69	2.68
Greenalls Gp	5.66	5.61	5.64	5.65
Guinness	4.42	4.28	4.34	4.33
GUS	6.08	5.91	6.01	6.15
Hanson	0.87	0.84	0.87	0.86
Hays	5.49	5.40	5.47	5.43
HSBC Hldgs	12.81	12.67	12.76	12.88
ICI	7.60	7.46	7.50	7.67
Impl Tobacco	3.85	3.75	3.76	3.83
Kingfisher	6.45	6.37	6.43	6.41
Ladbroke	2.32	2.25	2.31	2.33
Land Sec	7.74	7.65	7.69	7.73
Lasmo	2.40	2.31	2.40	2.35
Legal Genl Grp	3.90	3.80	3.88	3.85
Lloyds TSB Gp	4.51	4.40	4.48	4.42
LucasVarity	2.28	2.25	2.28	2.24
Marks Spencer	4.84	4.77	4.83	4.82
MEPC	4.61	4.57	4.60	4.64
Mercury Asset	12.33	12.28	12.30	12.32
National Grid	2.07	1.95	2.01	1.99
Natl Power	4.69	4.60	4.69	4.64
NatWest	7.74	7.19	7.34	7.24
Next	5.54	5.48	5.53	5.62
Orange	1.90	1.84	1.90	1.86
P&O	6.50	5.77	5.96	5.91
Pearson	7.49	7.35	7.48	7.37
Pilkington	1.54	1.49	1.50	1.53
PowerGen	5.88	5.80	5.86	5.80
Premier Farnell	7.29	6.98	7.02	7.32
Prudential	5.06	4.97	5.02	4.99
Railtrack PP	3.94	3.85	3.87	3.89
Rank Group	4.32	4.28	4.29	4.36
Reckitt Colm	7.10	7.02	7.09	7.05
Redland	3.46	3.28	3.35	3.42
Reed Intl	10.70	10.42	10.51	10.75
Rentokil Initial	4.31	4.28	4.31	4.29
Reuters Hdgs	7.20	6.99	7.05	7.21
Rexam	3.69	3.60	3.64	3.68
RMC Group	9.67	9.35	9.35	9.70
Rolls Royce	2.52	2.49	2.50	2.51
Royal Bk Scot	5.49	5.43	5.48	5.47
RTZ reg	9.34	9.19	9.26	9.73
Royal & Sun All	4.47	4.41	4.47	4.43
Safeway	4.01	3.93	3.98	3.98
Sainsbury	3.93	3.82	3.89	3.88
Schroders	15.65	15.50	15.65	15.45
Scot Newcastle	7.03	6.50	6.56	6.64
Scot Power	3.45	3.38	3.39	3.46
Securicor	2.85	2.80	2.80	2.84
Severn Trent	6.87	6.75	6.85	6.83
Shell Transp R	10.05	9.88	9.97	10.03
Siebe	10.55	10.43	10.50	10.43
Smith Nephew	1.82	1.78	1.79	1.81
SmithKline	7.87	7.68	7.77	7.83
Smiths Ind	8.20	8.13	8.20	8.15
Sthern Elec	7.89	7.70	7.72	7.89
Stagecoach	7.05	6.97	7.05	7.02
Stand Charter	7.06	6.95	7.06	6.99
Tate & Lyle	4.87	4.78	4.87	4.83
Tesco	3.46	3.40	3.42	3.46
Thames Water	6.12	5.96	6.01	6.04
3i Group	4.95	4.87	4.94	4.92
TI Group	5.72	5.60	5.65	5.75
Tomkins	2.82	2.71	2.81	2.74
Unilever	13.94	13.63	13.70	13.94
Utd Assurance	4.98	4.90	4.98	4.96
Utd News	6.90	6.85	6.87	6.90
Utd Utilities	6.37	6.20	6.28	6.35
Vendome Lx uts	5.25	5.18	5.18	5.29
Vodafone	2.54	2.49	2.51	2.52
Whitbread	7.72	7.62	7.70	7.74
Williams Hdgs	3.47	3.40	3.43	3.41
Wolseley	4.67	4.60	4.63	4.71
WPP Group	2.43	2.36	2.38	2.42
Zeneca	16.39	16.15	16.30	16.33

Madrid

Bolsa index: 453.98 Previous: 453.93

	High	Low	Close	Prev.
Acerinox	18700	17950	18300	18900
ACESA	1765	1730	1765	1760
Aguas Barcelon	5580	5440	5580	5530
Argentaria	5850	5760	5800	5880
BBV	7300	7180	7290	7310
Banesto	1150	1085	1125	1160
Bankinter	20000	19830	19900	19990
Bco Centro Hisp	3450	3315	3450	3360
Bco Exterior	2845	2770	2780	2778
Bco Popular	25350	25000	25200	25100
Bco Santander	8450	8280	8430	8360
CEPSA	4175	4075	4175	4175
Continente	2645	2580	2615	2630
Corp Mapfre	7730	7560	7640	7640
Endesa	9520	9150	9500	9240
FECSA	1275	1215	1260	1260
Gas Natural	31300	29940	30710	30280
Iberdrola	1710	1670	1700	1705
Pryca	2575	2500	2550	2590
Repsol	5370	5230	5340	5320
Sevillana Elec	1300	1260	1285	1300
Tabacalera	6020	5870	5910	6050
Telefonica	3305	3245	3275	3280
Union Fenosa	1230	1185	1225	1245
Valenc Cement	1455	1400	1425	1440

Manila

PSE index: 3223.26 Previous: 3206.99

	High	Low	Close	Prev.
Ayala B	30.50	29.50	30	31
Ayala Land	29.50	29	29	29.50
Bk Philip Isl	170	166	170	167
C&P Homes	15	14	14.50	15
Manila Elec A	129	126	127	126
Metro Bank	665	650	665	650
Petron	9.80	9.30	9.70	9.30
PCI Bank	345	342.50	342.50	342.50
Phil Long Dist	1375	1360	1375	1365
San Miguel B	116	112	116	112
SM Prime Hdg	7	6.90	6.90	7

Mexico

Bolsa index: 3578.34 Previous: 3557.97

	High	Low	Close	Prev.
Alfa A	39.85	38.25	39.55	38.40
Banacci B	16.74	16.50	16.50	16.74
Cemex CPO	30.90	29.60	30.90	29.70
Cifra C	9.78	9.50	9.76	9.66
Emp Modema	41.85	40.70	41.85	41.10
Gpo Carso A1	47.80	45.65	46.80	46.15
Gpo Fin Inbursa	28.60	28.30	28.50	28.50
Kimb Clark Mex	161.80	159.50	160.00	160.50
Televisa CPO	107.70	106.90	107.30	108.30
TelMex L	14.74	14.50	14.60	14.78

Milan

MIB Telematico: 11099.00 Previous: 10730.00

	High	Low	Close	Prev.
Alleanza Assic	10900	10160	10900	10180
Bca Comm Ital	2900	2680	2865	2670
Bca Fideuram	3590	3280	3505	3300
Bca di Roma	1260	1175	1230	1174
Benetton	19580	18725	19355	18680
Credito Italiano	1789	1685	1785	1678
Edison	9990	9785	9990	9780
ENI	8385	8095	8385	8115
Fiat	4455	4375	4445	4225
Generali Assic	29800	27900	29650	27850
IMI	13600	13000	13590	13045
INA	1960	1870	1960	1855
Italgas	6850	6615	6850	6670
Mediaset	7350	7050	7300	7010
Mediobanca	8750	8160	8740	8110
Montedison	1165	1116	1160	1110
Parmalat	2535	2435	2520	2450
Pirelli	3040	2940	3000	2950
RAS	14500	13450	14380	13500
Rolo Banca	14900	14450	14870	14525
S Paolo Torino	9600	9200	9600	9135
Stet	6950	6450	6920	6805
Telecom Italia	4330	4130	4270	4120
TIM	4095	3950	4085	3990

Montreal

Industrials index: 2858.01 Previous: 2846.49

	High	Low	Close	Prev.
Bce Mob Com	44.70	41.90	43¾	42
Cdn Tire A	21.55	21.15	21.45	21¾
Cdn Util A	31	30.90	31	30.90
CT Finl Svc	32.45	32¼	32.45	32
Gaz Metro	17.30	17.20	17.30	17.20
Gt-West Lifeco	21¾	21.10	21¾	21⅝
Hees Intl Bcp	20.65	20.55	20.60	20.70
Imasco	36.05	35.45	35½	36
Investors Grp	27	27	27	27.20
Loblaw Cos	15⅛	15.15	15.20	15.05
Natl Bk Canada	13.80	13.55	13.65	13¼
Power Corp	27.40	27.05	27.40	27.20
Power Finl	25	24.80	24.95	24.90
Quebecor B	24.35	24	24.35	24
Rogers Comm B	10½	10.40	10½	10½
Royal Bk Cda	49.35	49.15	49.15	49.30

Oslo

OBX index: 568.01 Previous: 559.96

	High	Low	Close	Prev.
Aker A	147	144.50	147	144.50
Bergesen Dy A	152	149	150	152
Christiania Bk	22.60	22.30	22.50	22.30
Den norske Bk	26.80	26.30	26.40	26.50
Elkem	112.50	111	111	112.50
Hafslund A	48.50	48.20	48.50	48.50
Kvaerner Asa	318	312	317	315
Norsk Hydro	357.50	354	357	356
Norske Skog A	215	210	210	214.50
Nycomed A	105	103.50	104	105.50
Orkla Asa A	467	460	467	468
Petrm GeoSvc	274	268	269.50	280
Saga Petlm A	127	118.50	125	120.50
Schibsted	129	124	126	122
Transocean Off	429	422	429	436
Storebrand Asa	38	37.50	37.70	37.90

Paris

CAC-40: 2349.08 Previous: 2331.62

	High	Low	Close	Prev.
Accor	657	649	655	653
AGF	166.90	164	165	165
Air Liquide	829	817	829	827
Alcatel Alsth	438	428.10	431	427.50
Axa	347.90	339.70	346.50	343.20
Bancaire	625	614	622	620
BIC	805	793	802	794
BNP	201	198.20	200.10	198.90
Canal Plus	1139	1111	1120	1138
Carrefour	3365	3303	3357	3360
Casino	243.40	241.20	242.90	243.50
CCF	238.50	234	237.30	234.70
Cetelem	621	612	616	620
Christian Dior	857	847	851	857
CLF-Dexia Fran	461.90	454.20	461	459
Credit Agricole	1250	1250	1250	1262
Danone	759	740	754	742
Elf-Aquitaine	487.80	478	484.50	482.60
Eridania BS	840	830	833	842
Eurotunnel	6.90	6.80	6.85	6.90
Gen. Eaux	710	683	708	687
Havas	361.50	352.20	358.20	353
Imetal	793	775	779	793
Lafarge	320	312	319.30	313
Legrand	925	888	917	897
L'Oreal	1970	1936	1962	1947
LVMH	1460	1434	1443	1460
Lyon. Eaux	504	498.20	501	500
Michelin B	291.70	286.10	290	287
Paribas A	355.60	350.40	354.20	340.50
Pernod Ricard	300.90	296	299.70	301.50
Peugeot Cit	562	547	553	562
Pinault-Print	2110	2082	2105	2097
Promodes	1470	1429	1467	1430
Renault	112.50	109.60	111.10	111
Rexel	1620	1550	1598	1608
Rh-Poulenc A	166.50	162.50	165.90	166.20
Roussel-Uclaf	1528	1527	1527	1528
Sanofi	544	532	535	538
Schneider	248.80	245	247.40	245.80
SEB	1148	1131	1135	1150
SGS Thomson	379.90	371	371	378
Ste Generale	560	533	552	540
Sodexho	2700	2650	2695	2695
St Gobain	782	743	779	743
Suez	218.50	214.80	218.40	216.10
Synthelabo	572	547	551	560
Thomson CSF	174	169.10	173	172.80
Total B	420.60	413	420.50	420.10
UAP	137.80	134.40	137.40	136.20
Usinor	78.70	78	78.35	78.45
Valeo	352	341	348.30	345

São Paulo

Bovespa index: 74542.10 Previous: 74270.20

	High	Low	Close	Prev.
Bradesco Pfd	8.25	8.09	8.25	8.18
Brahma Pfd	580.00	575.00	580.00	579.00
Cemig Pfd	40.90	39.20	40.20	39.90
CESP Pfd	48.00	46.00	48.00	46.50
Copel	13.19	12.30	12.90	12.45
Eletrobras	385.00	374.00	376.00	378.00
Itaubanco Pfd	440.00	436.00	437.010	441.00
Light Servicos	367.00	359.00	360.00	368.59
Lightpar	270.01	259.50	270.00	263.00
Petrobras Pfd	180.50	176.50	177.980	181.00
Telebras Pfd	86.50	83.50	86.00	84.90
Telemig	141.00	138.40	140.50	138.50
Telerj	146.00	140.00	146.00	145.00
Telesp Pfd	241.50	236.00	237.00	241.50
Unibanco	36.00	36.00	36.00	37.98
CVRD Pfd	22.30	21.80	22.10	22.30

Seoul

Composite index: 639.87 Previous: 621.41

	High	Low	Close	Prev.
Dacom	83000	76000	83000	80000
Daewoo Heavy	5200	5000	5180	5140
Kia Motors	16500	15800	16600	17000
Korea El Pwr	26400	25300	26100	25500
Korea Exch Bk	9330	8650	9220	8640
Korea Mob Tel	435000	425000	431000	430000
LG Semicon	19100	19000	19000	19000
Pohang Iron St	40000	37400	40000	38000
Samsung Elec	42500	40500	42000	42000
Shinhan Bank	12000	11200	11800	11500

Singapore

Straits Times: 2253.73 Previous: 2243.36

	High	Low	Close	Prev.
Cerebos Pac	11.30	11	11.30	11.10
City Devlts	13.20	12.90	13	13
Cycle Carriage	16.90	16.80	16.80	16.80
Dairy Farm Intl *	0.84	0.80	0.83	0.83
DBS	9.10	9.05	9.05	9.05
DBS Land	5.55	5.20	5.40	5.20
Fraser & Neave	14.30	14	14.10	14
HK Land *	3.04	2.89	2.93	2.98
Hong Leong Fin	3.30	3.28	3.28	3.30
Jard Matheson *	6.70	6.60	6.65	6.70
Jard Strategic *	3.72	3.70	3.72	3.68
Keppel	11.30	11.20	11.20	11.40
Natsteel	3.34	3.28	3.34	3.32
Neptune Orient	1.25	1.23	1.24	1.24
OCBC foreign	18.50	18.20	18.40	18.20
OSea Union Bk	6.40	6.35	6.35	6.40
Sembawang	8.10	7.90	8.10	8
Sing Airlines F	13	12.90	12.90	13.10
Sing Petm	N.T.	N.T.	N.T.	1.80
Sing Press F	28.70	28.30	28.40	28.90
ST Auto F	3.34	3.30	3.34	3.36
ST Ship	1.98	1.88	1.88	1.90
Sing Telecomm	3.32	3.28	3.30	3.28
Straits Steam	4.58	4.48	4.52	4.54
Utd Industrial	1.24	1.22	1.22	1.30
Utd OSea Bk F	16.80	16.40	16.50	16.50
Wing Tai Hdgs	4.16	4.06	4.16	4.10

*: In U.S. dollars.

Stockholm

SX 16 index: 2588.91 Previous: 2582.99

	High	Low	Close	Prev.
AGA BF	106	103	105.50	104
ABB AF	799	793	794	802
AssiDoman F	191	188.50	190	191
Astra AF	338	337.50	334.50	338.50
Atlas Copco AF	164.50	161	164	162.50
Avesta F	79.50	77	79.50	78.50
Electrolux BF	405	393	402	394
Ericsson BF	228	220	226	222
Hennes BF	1010	997	1010	1000
Incentive AF	517	504	517	503
Investor BF	310	307	308.50	310
Kinnevik BF	198.50	192	197.50	190.50
MoDo BF	204	200	203	204.50
Pharm/Upjohn	271.50	267	270	270
Sandvik BF	192.50	190	191	191.50
SCA BF	146	144	145	145
S-E Banken AF	71	69	70	71
Skandia Fors F	190.50	188	190	189.50
Skanska BF	300	297	299	299
SKF BF	162	158.50	159	162.50
SSAB BF	122.50	120	122.50	121.50
Stora AF	98	96	97.50	98.50
Sv Handles AF	195	190.50	193	194
Sydkraft AF	152	152	152	152
Trelleborg BF	109	101	108	97
Volvo BF	161.50	156	160.50	157

Sydney

All Ordinaries: 2423.30 Previous: 2415.80

	High	Low	Close	Prev.
Amcor	8.09	8	8.07	8.04
ANZ Bkg	8.09	8.02	8.05	8.06
BHP	18.15	17.80	18.12	17.95
Boral	3.58	3.52	3.53	3.54
Brambles Ind.	23.71	23.50	23.90	23.90
Burns Philp	2.40	2.33	2.36	2.39
CBA	12.20	12.14	12.16	12.20
CC Amatil	13.42	13.25	13.40	13.38
Coles Myer	5.02	4.97	5	5
Comalco	6.55	6.35	6.50	6.40
CRA Ltd	19.50	19.50	19.55	19.55
CSR	4.52	4.42	4.49	4.43
Fosters Brew	2.60	2.52	2.58	2.55
GIO Australia	3.22	3.16	3.20	3.19
Goodman Fld	1.68	1.62	1.67	1.63
ICI Australia	13.12	12.79	13.12	12.92
John Fairfax	2.81	2.79	2.80	2.80
Lend Lease	24.63	24.35	24.45	24.40
Mayne Nickless	8.20	8	8	8.24
MIM Hdgs	1.81	1.78	1.80	1.81
Nat Aust Bank	14.72	14.63	14.66	14.73
News Corp	6.83	6.72	6.79	6.77
North Ltd	3.71	3.67	3.69	3.68
Pacific Dunlop	3.16	3.07	3.13	3.10
Pioneer Intl	3.58	3.50	3.51	3.56
Placer Pacific	1.73	1.69	1.73	1.71
Santos	5.13	5.02	5.10	5.06
Southcorp	4.20	4	4.15	4.05
Westfarmers	8.91	8.78	8.90	8.82
Wstrn Mining	8.15	7.91	8.07	7.95
Westfield Trt	2.37	2.36	2.36	2.38
Westpac Bkng	7.28	7.17	7.26	7.22
Woodside Pet	9.85	9.53	9.83	9.60
Woolworths	3.08	3.04	3.08	3.06

Taipei

Stock Market index: 7810.76 Previous: 7819.43

	High	Low	Close	Prev.
Asia Cement	50.50	50	50	50.50
Cathay Life Ins	181	176	176	179
Chang Hwa Bk	173	166	167	166
China Steel	25.80	25.30	25.30	25.60
China Trust	53.50	51.50	51.50	51
Evergreen	54.50	53.50	53.50	54
Far East Text	28.20	27.80	27.80	27.90
First Bank	180	172	173	175
Formosa CF	43	42	42	42.70
Hua Nan Bk	145	139.50	142	136
Hualon Teijran	24.30	24	24	24.40
ICBC	86.50	83.50	84	85
President Ent	44.80	43.60	44.80	43.80
Taiwan Cem	60.50	58.50	59	60
Tatung	53.50	52.50	53	53

Tokyo

Nikkei 225: 18073.87 Previous: 18680.38

	High	Low	Close	Prev.
Ajinomoto	1130	1090	1090	1130
All Nippon Air	850	810	811	852
Asahi Bank	900	856	862	905
Asahi Chem	685	596	597	639
Asahi Glass	1060	1040	1040	1050
Bk Tokyo Mitsu	2110	2030	2030	2110
Bk Yokohama	708	695	705	705
Bridgestone	2170	2110	2110	2140
Canon	2470	2400	2400	2500
Chiba Bank	764	719	730	784
Chubu Elec	2300	2260	2260	2290
Chugoku Elec	2260	2240	2240	2250
Daiei	845	829	835	859
Daiichi Kang	1630	1540	1550	1630
Daiwa Bank	595	537	543	610
Daiwa House	1470	1440	1440	1470
Daiwa Sec	937	923	929	929
Denso	2690	2630	2650	2670
Fanuc	3570	3480	3500	3670
Fuji Bank	1620	1540	1540	1640
Fuji Photo	3740	3550	3590	3740
Fujitsu	1140	1110	1110	1120
Hitachi	1100	1070	1080	1080
Honda Motor	3170	3080	3080	3220
IBJ	1940	1870	1870	1960
IHI	482	460	461	480
Itochu	597	546	552	582
Ito-Yokado	5280	5170	5200	5280
JAL	607	581	589	618
Jusco	3870	3690	3710	3890
Kajima	736	701	710	748
Kansai Elec	2310	2290	2300	2300
Kao	1330	1310	1330	1320
Kawa Steel	302	288	290	308
KDD	7530	7470	7490	7610
Kinki Nipp Ry	720	708	718	719
Kirin Brewery	1120	1070	1080	1120
Kobe Steel	229	216	218	229
Komatsu	890	860	872	889
Kubota	543	535	543	535
Kyocera	7240	7110	7150	7320
Kyushu Elec	2240	2220	2230	2250
LTCB	605	577	578	607
Marubeni	475	447	447	477
Marui	1890	1670	1710	1900
Matsu Elec Ind	1880	1810	1830	1870
Matsu Elec Wk	997	986	990	1000
Mitsubishi	1150	1120	1120	1150
Mitsubishi Ch	368	350	352	364
Mitsubishi El	689	671	679	680
Mitsubishi Est	1190	1090	1090	1200
Mitsubishi Hvy	907	889	890	906
Mitsubishi Mat	865	848	852	848
Mitsubishi Tr	1520	1380	1380	1510
Mitsui	922	908	906	920
Mitsui Fudosn	1060	999	1000	1080
Mitsui Trust	837	785	795	843
Murata Mfg	3930	3880	3880	3880
NEC	1460	1420	1430	1470
Nikko Sec	793	750	756	777
Nintendo	8210	8100	8100	8120
Nipp Credit Bk	296	289	292	295
Nipp Express	747	716	726	754
Nippon Oil	586	571	571	585
Nippon Paper	535	509	510	527
Nippon Steel	308	299	306	316
Nippon Yusen	509	501	502	512
Nissan Motor	707	685	688	696
NKK	252	237	239	256
Nomura Sec	1570	1530	1540	1570
NTT	8950a	8700a	8710a	8920a
Obayashi	725	702	702	704
Odakyu El Ry	675	653	653	675
Ono Pharm	3380	3290	3290	3400
Osaka Gas	315	303	306	314
Ricoh	1310	1270	1280	1320
Sakura Bk	785	699	699	799
Sankyo	3210	3140	3140	3170
Sanwa Bank	1490	1430	1440	1500
Sanyo Elec	452	430	430	457
Secom	6970	6890	6890	6970
Seibu Rwy	4210	4000	4000	4210
Sekisui House	1190	1170	1180	1170
Seven-Eleven	6770	6660	6700	6660
Sharp	1650	1620	1630	1650
Shimizu	775	750	751	761
Shin-etsu Ch	2130	2090	2100	2100
Shizuoka Bk	1130	1110	1110	1110
Sony	7680	7510	7520	7690
Sumitomo	925	910	916	918
Sumitomo Bk	1560	1440	1460	1620
Sumit Chem	435	425	426	430
Sumitomo Elec	1640	1610	1630	1640
Sumit Metal	267	257	260	268
Sumit Trust	1080	999	999	1090
Taisei	543	531	535	545
Taisho Pharm	2640	2600	2600	2640
Takeda Chem	2390	2330	2330	2390
TDK	7570	7470	7500	7530
Tohoku El Pwr	2250	2200	2200	2270
Tokai Bank	1150	1070	1080	1150
Tokio Marine	1010	994	1010	1020
Tokyo El Pwr	2440	2410	2440	2450
Tokyo Gas	312	307	307	312
Tokyu	614	563	567	604
Tonen	1380	1350	1350	1380
Toppan Print	1420	1400	1410	1420
Toray Ind	715	685	685	729
Toshiba	727	707	713	713
Toyo Seikan	2760	2520	2520	2730
Toyo Trust	860	820	821	890
Toyota Motor	3250	3180	3200	3260
Yamaichi Sec	496	481	483	492
Yamanouchi	2330	2290	2290	2330
Yasuda Fire	583	546	556	590
Yasuda Trust	470	442	450	475

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Toronto

TSE Industrials: 5959.36 Previous: 5929.98

	High	Low	Close	Prev.
Abitibi Price	23.10	22.80	23	22.95
Alberta Energy	32.35	32.10	32.30	32.30
Alcan Alum	48½	47.80	48.30	47.90
Anderson Expl	18.15	17.80	17.80	18.10
Bk Montreal	43.95	43.60	43.60	43.80
Bk Nova Scotia	45.80	45.40	45.40	45.65
Barrick Gold	36.70	35¾	36.45	35.55
BCE	66.20	65.40	65.80	65½
BC Telecomm	29.80	29.20	29.30	29¼
Biochem Pharm	N.T.	N.T.	N.T.	67¼
Bombardier B	25.35	24.55	24.90	25¼
Bramalea A	30.20	29.85	30	30
Bre-X Minerals	20.90	20¼	20.45	20.35
Cameco	56½	56	56.05	56.35
CIBC	58.95	58.55	58.55	58.95
Cdn Natl Rail	50.60	49¾	50¼	50.70
Cdn Nat Res	37½	37	37.20	37.05
Cdn Occid Pet	23.45	22.70	23.35	22.60
Cdn Pacific	36.45	35¾	36.15	36¼
Cominco	34.60	34.45	34.60	34.60
Dofasco	26.40	25.85	25.85	26.30
Domtar	12¼	12.30	12.45	12.40
Donohue A	26.20	25.60	26.20	25¼
Du Pont Cda A	31.45	31¼	31.30	31¼
EuroNev Mng	35¼	34.65	34¾	35.15
Fairfax Finl	300	295	300	295
Falconbridge	29¼	29.20	29.20	29.20
Fletcher Chall A	22¼	22.05	22.10	22.05
Franco Nevada	57	55	55½	56¼
Gulf Cda Res	11¼	10.80	10.95	10.70
Imperial Oil	63.60	63.15	63.60	63¼
Inco	44.30	43¼	44	43.90
IPL Energy	40¼	40	40¼	40
Laidlaw B	17.60	17.30	17.35	17.40
Loewen Group	50.40	49¾	49.85	49¾
Macmill Bld	18.70	18½	18.60	18.90
Magna Intl A	75½	73¾	73.85	75.10
Methanex	12.95	12.65	12.85	12¾
Moore	27.80	27.40	27.90	27½
Newbridge Net	41.35	39.85	41.15	39.90
Noranda Inc	31.35	30.90	31.35	30.90
Norcen Energy	30½	30.30	30.40	30.30
Nthern Telecom	91.30	89½	91	89.30
Nova	12.70	12½	12.65	12.65
Onex	22.45	19.60	22¼	21.25
Pancdn Petlm	52.80	52.30	52.55	52.60
Petro Cda	20.65	20.10	20.45	20.35
Placer Dome	28.20	27.15	28.20	27.65
Poco Petlm	13.70	13¼	13.55	13.40
Potash Sask	119	118	118¼	118
Renaissance	49.10	48.80	49	49.05
Rio Algom	32	30½	32	31
Rogers Cantel B	27.70	27.05	27.05	27.05
Seagram Co	55.40	54.70	54.80	54.55
Shell Cda A	53	51½	52.95	52
Stone Consold	21½	21.20	21½	21.85
Suncor	55½	55.30	55½	55.40
Talisman Eny	48.15	47.20	48.15	47.80
Teck B	30.10	29.80	29.80	30¼
Teleglobe	40.45	40.30	40.30	40.30
Telus	20.20	19.95	20.15	20.15
Thomson	30	29½	29.85	29.95
TorDom Bank	35.15	34.85	34.95	34.55
TransAlta	17.05	16.85	16.90	16.80
TransCda Pipe	23.70	23.55	23.70	23.55
Trimark Finl	42.45	41.85	42.30	42
Trizec Hahn	30.15	29½	30.15	29.70
TVX Gold	9.80	9.55	9¾	9.45
Westcoast Eny	23⅜	23.15	23¼	23.30
Weston	71	69¾	70.05	70

Vienna

ATX index: 1136.09 Previous: 1137.28

	High	Low	Close	Prev.
Austr Airlines	1650	1650	1580	1580
Brau-Un Goess	690	685	688	693
Bund Vers Pfd	382	382	490	490
Creditanst Pfd	486	472	482.90	486
EA-Generali	3085	2920	3000	3080
EVN	1659	1639	1655	1659
Interunfall	N.T.	N.T.	N.T.	1475
Lenzing	680	668	668	680
Leykam	279	273	277	277.90
Mayr-Melnhof	555	545	550	552.40
OMV	1176.50	1163.15	1175	1177.50
Oest Brau	747	740.05	741	742
Oest Elektriz	812.50	804.50	810.50	809
VA Tech	1696	1674	1690	1695
Wienerberger	2090	2000	2080	2100

Wellington

NZSE-40 index: 2402.36 Previous: 2399.31

	High	Low	Close	Prev.
Air N Zeald B	2.81	2.78	2.80	2.81
Brierly Invt	1.33	1.31	1.33	1.33
Carter Holt ord	3.38	3.30	3.36	3.35
Fernz	4.96	4.92	4.92	4.95
Fisher Paykel	5.60	5.55	5.55	5.60
FC Forest	2.37	2.34	2.35	2.39
Goodman Fder	1.78	1.76	1.78	1.80
Indep News	6.98	6.96	6.98	6.98
Lion Nathan	3.60	3.50	3.57	3.52
Nat Gas note	2.27	2.25	2.25	2.28
NZ Refining	28.70	28.70	28.70	28.75
Telecom NZ	7.46	7.35	7.45	7.39
Wilson Horton	11.60	11.60	11.60	11.60

Zurich

SPI index: 2539.19 Previous: 2527.06

	High	Low	Close	Prev.
Adecco B	359	354.50	358.50	358.50
Alusuisse R	1146	1122	1145	1130
Ares-Serono B	1323	1313	1320	1320
Baloise Hdg R	2685	2640	2680	2675
ABB B	1666	1659	1663	1664
BK Vision	743	730	739	741
Bobst B	1900	1885	1885	1895
CS Group N	134.50	133.50	134.50	134.50
Elektrowatt B	536	535	536	536
Fischer B	1439	1428	1433	1435
Hilti PC	894	885	892	880
Holderbank B	1014	990	1004	984
Jul. Baer Hdg B	1419	1412	1419	1419
Nestle R	1442	1428	1438	1432
Novartis R	1547	1529	1547	1533
Oerlikon R	140	137.50	138	137
Pargesa Hld B	1499	1480	1499	1495
PharmVisn B	619	613	619	615
Pirelli B	205	197	204	195
Roche Hdg PC	10635	10465	10630	10375
SBC R	253.50	252	253.50	254
Schindler B	1480	1452	1454	1460
SGS B	3295	3290	3290	3320
SMH B	877	867	873	897
Sulzer R	833	823	831	838
Swiss Reins R	1401	1392	1398	1395
Swissair R	1160	1149	1155	1160
UBS B	1185	1172	1180	1177
Valora Hdg R	255	252	255	252
Winterthur R	785	765	778	780
Zurich Assur R	367.50	364	366.50	367

ASIA/PACIFIC

China Adopts A Standard From Japan For Phones

Bloomberg Business News

TOKYO — China has agreed to use Japan's so-called personal handyphone system for part of its telecommunications infrastructure, Japan's Ministry of Posts & Telecommunications said Thursday.

The decision to use the wireless phone system, known as PHS, opens what is potentially the world's largest phone market to Japanese telephone-equipment makers.

"It's good news," said Eric Gan, an analyst at Goldman Sachs (Japan) Ltd. He said China was a promising market because of its size and its underdeveloped communications infrastructure.

The main beneficiaries of the decision are likely be NEC Corp., which makes PHS base stations and Matsushita Communication Industrial Co., which makes handsets.

PHS is cheap and easy to install, making it an attractive alternative to stringing wires around a country. Unlike cellular phones, which require an expensive and powerful central base station, PHS transmits calls with small, low-power antennas.

Thailand, Indonesia, the Philippines, Guatemala and Columbia have all adopted the system in one form or another.

The PHS market in Japan was worth an estimated 497 billion yen ($4.31 billion) in Japan last year, or about 13 percent of the market for portable communications devices.

Stock in Matsushita Communication, which hopes to establish PHS as a standard throughout Southeast Asia, rose 30 yen to 3,000 yen on Thursday, despite a 3 percent fall in the Nikkei stock average.

The company refused to give projections for sales in China.

NEC stock fell 40 yen to 1,430.

CITIC's Red-Chip Status Starts to Fade

Reuters

HONG KONG — A plan for CITIC Pacific Ltd.'s parent to buy a stake in the company puts the Hong Kong conglomerate in danger of losing its so-called "red-chip" status as a company highly prized for its China connections, analysts have said.

Once the "reddest of red chips," the Hong Kong conglomerate's parent company, China International Trust & Investment Corp., is controlled by China's State Council and was founded by one of China's vice presidents.

But CITIC Pacific's shares have tumbled 13 percent since its management said it would buy a major stake in the company, disappointing fans of China-related stocks despite the company's sound fundamentals.

Analysts say red chips, Hong Kong-based companies controlled by Chinese government agencies, are coveted because investors hope powerful state-owned parent companies will continue their pattern of selling billions of dollars of mature assets to their Hong Kong units at bargain-basement prices. But the smart money now fears CITIC Pacific is becoming too independent to enjoy such largesse.

"The market knows that its past perception was wrong, and the red-chip factor that made the market willing to pay a high premium for the shares has begun to erode," said Carl Wong, an associate director of HSBC James Capel.

On Dec. 30, the company said a management team led by its chairman, Larry Yung, would buy a 15.47 percent stake in CITIC Pacific from its parent, CITIC Hong Kong.

CITIC Hong Kong's interest in CITIC Pacific will be reduced to 26.45 percent from 41.92 after the share transfer.

The news initially strengthened CITIC Pacific's shares, which reached a high of 45.60 Hong Kong dollars ($5.89), on Dec. 30, 1996. But since then, the shares have tumbled, closing Thursday at 39.80 dollars, 1.75 percent lower, or down 70 cents.

Analysts said the stock had been among the market's best performers last year and that would provide a profit-taking cushion for foreign-fund managers who had the stock in their portfolio.

"The market's perception is that its red-chip concept would fade out, but I think selling is a bit overdone," said Herbert Lau, analyst at Vickers Ballas Hong Kong Ltd.

CITIC Hong Kong is the local arm of CITIC Group, which was founded by Rong Yiren, Beijing's "Red Capitalist," who is one of China's vice presidents. Mr. Rong is also Mr. Yung's father. CITIC Group is headed by Wang Jun, a son of China's late vice president, and by Wang Zhen, a veteran of Mao Zedong's Long March.

One analyst said some market-watchers suspect an internal rift exists between the Wangs and Mr. Yung's family, which could result in CITIC Pacific being ignored by CITIC Group and losing its red-chip status.

But some analysts said CITIC Pacific was already operating independently and receives no tangible benefits from its Chinese parent.

"The share transfer itself did not change the fundamentals," Mr. Lau said. "We believe CITIC Pacific, or CITIC HK, has been working independently from China, and that has not changed."

CITIC Pacific still had strong earnings, a good balance sheet, the ability to find deals, and strong connections in China through its chairman after the deal, said Mark Simpson, research director of ING Barings.

"In the medium term, we still like the stock, and we think that there is strong earnings momentum," Mr. Simpson said.

CITIC Pacific management has stressed that the firm is a Hong Kong company managed by Hong Kong people. It is mainly involved in property development and aviation through its 25 percent stake in Cathay Pacific Airways Ltd.

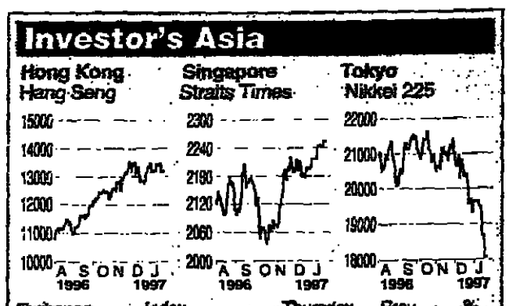
The recent heavy selling of the stock also reflected the market's negative feeling about the massive share-price discount given to the management team, analysts said. The shares were bought at 33 dollars each, compared with their close of 43.60 dollars each before the announcement.

The silence of Mr. Yung and CITIC Pacific's managing director, Henry Fan, concerning the deal has fueled uncertainty in the market, analysts added.

The two men garnered 97 percent of the 330 million shares involved in the transaction.

But they said the downside on CITIC Pacific shares was limited, with net asset value seen at 33.60 dollars a share.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,198.11	13,454.93	-1.91
Singapore	Straits Times	2,253.73	2,243.26	+0.47
Sydney	All Ordinaries	2,423.20	2,415.00	+0.34
Tokyo	Nikkei 225	18,073.87	18,680.38	-3.25
Kuala Lumpur	Composite	1,236.92	1,239.54	-0.21
Bangkok	SET	843.22	831.93	+1.36
Seoul	Composite Index	639.87	621.41	+2.97
Taipei	Stock Market Index	7,918.76	7,919.43	-0.12
Manila	PSE	3,223.36	3,206.99	+0.51
Jakarta	Composite Index	657.43	662.21	-0.72
Wellington	NZSE-40	2,402.36	2,399.31	+0.13
Bombay	Sensitive Index	3,362.39	3,288.88	+2.24

Source: Telekurs International Herald Tribune

Very briefly:

- **Air China** has ordered two 747-400 jets from **Boeing Co.** valued at about $380 million, the U.S. planemaker announced in Beijing. The planes are to be delivered in 1999.
- ***China Yangtze Three Gorges Development Corp.***, the company in charge of building the world's largest hydroelectric dam project, is issuing 1 billion yuan ($120.1 million) in bonds. No terms were reported.
- **Taiwan Semiconductor Manufacturing Co.'s** sales in 1996 rose 37 percent, to 39.40 billion Taiwan dollars ($1.43 billion). Sales by **Acer Inc.**, a maker of personal computers, fell 8 percent in 1996, to 57.90 billion dollars.
- **Hewlett-Packard Co.** plans to raise its personal computer sales in the Asia-Pacific region by 35 percent a year over the next three years, focusing on portable models.
- **Japan** risks being left behind in international aviation markets if it fails to consider U.S. "open-skies" proposals, as other Asian nations are doing, Alan Larson, the U.S. assistant secretary of state for economic and business affairs, said.
- **Bangkok Bank PLC** and **Siam Commercial Bank Ltd.** plan to help the government establish a 50 billion-baht ($1.95 billion) fund to prop up Thailand's ailing property market.

AP, Reuters, AFX, AFP

Japan's Carmakers Are Winning the Battle at Home

Bloomberg Business News

TOKYO — The fight for market share in Japan's auto industry has claimed its first victim: imports.

Since the introduction in September of their new product lines, Japanese carmakers have chipped away at the small market share foreign manufacturers struggled to build. Many shoppers are buying now before the consumption tax is raised in April to 5 percent from 3 percent.

"Since September, the Japanese domestic market has been flooded with new cars as the automakers scramble to get as large a share of the domestic pie as possible before the consumption tax goes up," said Christopher Redl, an analyst at ING Barings Securities.

Japan's automakers have developed a number of models to compete with imports, Mr. Redl said. He cited Nissan's Stagia, a luxury station wagon that sells for about $3,400 less similar Volvos or BMWs.

While sales of Japanese cars have risen for four straight months, with double-digit growth in November and December, sales of imports fell 2.1 percent in December, to 38,059 vehicles, the Japan Automobile Importers Association said. That is the second decline since August.

Still, 1996 was a record year for imports. Total sales rose 10.1 percent from previous year, to 427,525 vehicles, the third straight record year.

German automakers continue to dominate the import market in Japan, with more than a 43 percent share. German companies sold 184,536 vehicles in 1996, a rise of 18 percent.

U.S. carmakers, meanwhile, sold 41,517 vehicles in Japan in 1996, a rise of 9.0 percent.

"While the Europeans have models unique to Japan, the Americans have not come up with cars that Japanese want," Mr. Redl of ING said.

DVD: *Latest Hollywood Releases Come in a Format That Has Potential to Revolutionize Home Video and Computers*

Continued from Page 13

DVD will be different from previous consumer technologies because it will affect almost all electronics markets, ranging from personal computers to VCRs and advanced television.

"This is the first consumer product that will come into the home through two doors, both the living room and the den," said Lee Isgur, a consumer electronics analyst at Jefferies & Co. in San Francisco.

Warner said it would release 30 movies in the format, including such classics as "Blade Runner," "Casablanca," "Doctor Zhivago" and "Gone With the Wind."

The company also plans simultaneous release of future movies in VHS and DVD formats.

Warner's DVD manufacturing plant in Terre Haute, Indiana, has already manufactured 500,000 disks, and the company said another 250,000 were already on shelves in Japan.

But Sony was more cautious than Warner. Sony said it would introduce 20 titles in the next year. But it added that it was pricing its player at $900 and targeting the high-end videophile and audiophile markets.

Toshiba Corp., Matsushita Electric Industrial Co. and other manufacturers started selling players in Japan on Nov. 1, but a shortage of software titles curtailed sales.

In Europe, Philips plans to start selling players in the summer, a spokeswoman told the International Herald Tribune.

Intel Corp. executives said that the chipmaker would demonstrate a DVD-ROM drive for computers and that all major personal computer makers would introduce DVD-based systems by midyear. But those systems will initially be far more expensive than existing personal computers.

DVD would reach the mainstream of the personal computer market in 1998, Intel predicted, when machines based on its P6 processor with the company's recently announced MMX multimedia technology will be available.

Those computers will have enough power to function as DVD players without additional hardware, the company said.

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NASDAQ

Thursday's 4 p.m.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press.

NYSE

Thursday's 4 p.m. Close

(Continued)

WORLD ROUNDUP

Discrimination Suit Filed Against NCAA

A public interest law group filed suit against the NCAA, which oversees U.S. college sports, saying it discriminates against blacks because it uses standardized test scores to decide whether athletes can compete and receive scholarships.

The NCAA replied by unveiling a study that it says show that its rules are contributing to increasing graduation rates for black athletes.

High school seniors must score slightly better than 50 percent on either the Scholastic Assessment Test or the American College Test to compete as freshmen athletes. The rules, commonly known as Proposition 48, took effect in 1986 and have since been toughened.

In the lawsuit filed in U.S. District Court in Philadelphia, Trial Lawyers for Public Justice said the rule violated the Civil Rights Act because black athletes are disproportionately affected.

The NCAA says the number of black athletes enrolling in Division I schools that grant scholarships is recovering after falling when Proposition 48 was adopted. The NCAA said blacks made up 27.3 percent of athletes entering the schools in 1985. This fell to 25.6 percent in 1986 but rose to 25 percent in 1989.

The study showed a rise in graduation rates among black male athletes: from 34 percent of the freshman class of 1985, the last year before Proposition 48, to 41 percent of 1986 freshmen, and 43 percent of 1989 freshmen. *(AP, WP)*

NBA's Top 10 Teams

BASKETBALL The NBA has chosen the 10 best teams in its 50-year-history, though it has not put them in any order. Wilt Chamberlain, Michael Jordan and Dennis Rodman each played on two of the teams voted for by a media panel.

Chamberlain starred on the 1966-67 Philadelphia 76ers and 1971-72 Los Angeles Lakers. Jordan led the 1991-92 and '95-96 Chicago Bulls, and Rodman played on the 1988-89 Detroit Pistons and 1995-96 Bulls. The 1964-65 Boston Celtics, the 1969-70 New York Knicks, 1982-83 76ers, 1985-86 Celtics and 1986-87 Lakers were the other teams picked. *(AP)*

Golota Convicted

BOXING Andrew Golota received a two-year suspended prison sentence and a $7,000 fine Thursday in Warsaw for beating up a man in a May 1990 disco brawl.

Prosecutors had originally charged Golota with assault and robbery with a deadly weapon. Golota admitted beating up Pawel Bialostocki, but denied pointing a gun at him.

Golota fled Poland in 1991 to avoid facing trial. He returned to Poland after the second of his two fights against Riddick Bowe. He was disqualified in both for low blows. According to media reports Golota agreed to pay Bialostocki $10,052 in compensation. *(AP)*

Italians Accused of Deceit

SOCCER Roy Hodgson, an Englishman who coaches Inter Milan in Italy's Serie A, says Italian soccer players are cheats who try to trick referees and should learn from the British sense of fair play.

"Whenever there's a dispute between a player and a referee, I'm always on the referee's side," he said. "Every Sunday, they have to face one ambush after another, one attempt to trick them after another.

"I think that in Italy people need to work hard at the rules of behavior, so as to eliminate this desire for deceit and their habit of complaining." *(AFP)*

New World for Woods As PGA Tour Opens

Can Golf's Wonder Keep Up Pace?

By Larry Dorman
New York Times Service

CARLSBAD, California — The middle-aged man thrust a piece of paper at Mark O'Meara as the golfer stepped from the 18th green at La Costa Resort and Spa.

"Hey," he said, as O'Meara autographed it, "guess it was quite an experience for you playing with Tiger Woods, huh?"

The pen paused, and O'Meara looked up, half-smiling. Here he was, the defending champion in the Mercedes Championship — the season-opening tournament for winners only that will begin Thursday — a 40-year-old veteran entering his 17th season on the PGA Tour, and he was supposed to be grateful because he got to play a practice round with a 21-year-old?

O'Meara started to laugh.

"I told him," O'Meara said, " 'Hey, pal, I think you've got that backwards. I'm the guy with 12 tour wins, three Ryder Cups, eighth on the career money list. I'm the defending champion here. This week, I'm the man. I think maybe Tiger Woods should be glad for the chance to play with Mark O'Meara.' "

"Touche," the man replied.

O'Meara's mock indignation was half put-on. He has befriended Woods, served as his mentor and golf partner at the Orlando course where both of them live. He knows exactly how good Woods is, and he appreciates his game. But as a competitor, he does not appreciate being slighted in comparison, and he does not mind telling people that.

In a sense, this serves as a theme for the 1997 season: The world has learned about Woods, now it's his turn to learn about the world. He has arrived at La Costa for what used to be called the Tournament of Champions faster than anyone in the game's history. His two victories in only seven events at the end of the 1996 season cured plenty of skepticism about whether he is the genuine article.

Now begins the season where Woods will be competing against the best players at each tournament he enters, beginning with this one.

You can see the difference, up and down the range at La Costa. Warming up to the task at hand are Tom Lehman, Fred Couples, Nick Faldo, Corey Pavin and Phil Mickelson.

It is true that there are 12 first-time champions in the field, all part of the youthful wave that swept across the golf landscape last year (14 of 44 tournaments were won by players in their 20s), but the veterans are hardly ready to cede the keys to the kingdom.

"Who knows what's going to unfold?" Faldo said. "In truth, he's been on tour for about five minutes, hasn't he? Give him a full year."

For his part, the young man in the center of all this seems unchanged. He is outwardly calm, still smiles easily, still bombs his tee shots to almost unfathomable spots on the golf course he has seen only three times now.

"Hopefully, I'll get off to a good start," Woods said. "This course sets up good for me. It's playing very long, and the rough is thick and lush so you'll have to be straight."

Woods once said that he comes into every tournament he plays believing he can win, with the goal to win, and his performance so far has earned him the respect of one of the players who will be trying to beat his brains out weekly.

"It's refreshing to see somebody whose goal or whose primary concern is to win golf tournaments," Mickelson said. So far, Mickelson has nine victories at age 26. Can Woods get seven more in the next five years to match that? Can he surpass it? Can he come out here and dust the veterans in a continuation of his amazing start?

These are the sort of questions that most of the players on the PGA Tour haven't had to ponder about 21-year-old kids. They do now. Most of them think it's a good thing.

"Some guys might be hoping for Tiger to fail," O'Meara said, "but not many. What I've tried to tell him not to lose sight of is that he's a human being and the people on the other side of the ropes are human beings, too. You need to treat those people right and you need to treat your fellow competitors right. Never lose sight of that."

■ Healthy Tour May Get Healthier

The PGA Tour, already one of the healthiest sports entities in the world, will be among the major beneficiaries of Woods's huge appeal, The Washington Post reported.

His presence comes at a wonderful time for the tour, which will start negotiations with its major network and cable partners on new television contracts this year; the current ones expire after the 1998 season. There is talk Fox is interested in adding golf to its growing sports empire. Another bidder means even higher purses to be shared by the players.

Then again, they are not exactly playing for pocket change now.

The tour will pay $70 million in prize money over the 1996 season, a $6 million increase over 1995, following a year when nine players earned at least $1 million or more, led by Mickelson's $1,780,159.

David Hancock, Agence France-Presse

SIGN OF THE TIMES — Carlos Moya signing autographs after beating Patrick Rafter 7-6 (8-6), 6-2 in the quarterfinals of the Sydney International tennis tournament. Costa will face compatriot Albert Costa in the semi-finals. Costa beat Byron Black 6-4, 6-2. In the other men's semi-final, Goran Ivanisevic will play Tim Henman. Ivanisevic beat Sandon Stolle 6-4 6-2. Henman beat Alex O'Brien 1-6 7-6 (7-3) 6-4.

U.S. Rugby's Future: Huge, Fast

International Herald Tribune

Vantage Point / **IAN THOMSEN**

CARDIFF, Wales — Two years ago Jack Clark found scientific proof for the experiment he was conducting in the United States. The proof was on the other side of the world, a 6 foot 6 inch (1.95 meter), 250 pound (113 kilogram) New Zealand behemoth who singlehandedly made England feel tiny, slow and bruised in a semifinal of the Rugby World Cup.

For the rest of the world, the All Blacks wing Jonah Lomu was a revelation — "a freak," according to the beaten England captain Will Carling. To an American like Clark, however, Lomu embodied the future of rugby. It's a future pleasing to Americans. Where Clark comes from there is a surplus of athletes built like Lomu — indeed, some of them are looking for work.

"Don't get me wrong," said Clark, the Californian head coach and general manager of the U.S. national rugby team, "We may have many gridiron players with Jonah's qualities athletically, but none of them have his instincts for rugby. Still, it would be a very interesting experiment for somebody to put together the biggest, fastest, Jonah Lomu-clone rugby team the world has ever seen."

The majority of those players, he believes, would come from America, and it is his goal to put together such a team.

The current U.S. team will meet Wales in a test on Saturday at hallowed Cardiff Arms Park.

At 41, Clark might be just young enough to see his project through. His team won four of 10 tests last year, an improvement on its previous best record of 2-7 in 1991. The United States seems likely to be one of three countries from the Americas to qualify for the 1999 World Cup to be held in Wales.

But the Americans are bracing for a difficult weekend against such inventive Welshmen as Ieuan Evans and Arwel Thomas. A humblingly small crowd is expected. Even if the Americans were to come up with a breakthrough victory in Cardiff, it would turn more heads around the world than in America. But publicity is not the issue for Clark at this stage. He thinks the sport will change dramatically in the next few years. Now that there is money in rugby for the players, the game has a chance to catch the eye of the world's most athletically-gifted country.

Rupert Murdoch's Sky TV seems to think so. A few months after signing the Southern Hemisphere powers to a long-term TV deal that forced rugby to turn professional, Sky agreed to pay USA Rugby close to $1 million annually in a multiyear contract for broadcasting rights.

"I suppose it's a better deal for us right now," Clark said. "But something tells me in five years it's going to be a better deal for Sky than it is for us."

The idea of popularizing rugby in the United States will seem unlikely to those who have glanced at the tight scrumming, kicking game employed by England. Clearly Murdoch hasn't bought up rugby with that kind of play in mind.

With Murdoch's television properties spanning the globe, he wants Rugby to become a world game. Those who understand how TV has streamlined American sports can foresee the day when rugby union will naturally gravitate toward a sleeker, Lomu-powered style that attracts an audience beyond the current limited markets of the Southern Hemisphere and parts of Western Europe.

"Most of the gridiron players I know have made the switch to the game quite easily," Clark said. "But I would hate for people to misunderstand: You couldn't make a gridiron player into a fly-half overnight. Just because you're big and fast doesn't mean you're tough or you have the instincts for rugby."

Recent generations of American football lineman who have grown larger than 300 pounds would find it impossible to sustain the back-and-forth pace of the largest players in rugby. Much of American football is about pushing out, extending the arms to block or stiff-arm a tackler, which is why the bench press is such an important exercise in the NFL; in rugby it's more important to pull, to grab at the ball.

Nonetheless, rugby's new professionalism has seen 10 Americans join international clubs to varying degrees of success. The 6 foot 9 inch Luke Gross is a lock for Harlequins in London; a few years ago he was playing basketball at Indiana State, Larry Bird's old school.

The best example for American rugby is its captain and flanker Dan Lyle, 6 feet 5 inches and 250 pounds, and now playing in the second row with Bath of England, one of the world's leading clubs. He was an honorable mention All-America tight end in 1992 who took up rugby the following year to stay in shape for an NFL tryout with the Washington Redskins.

"He didn't get on the field for a year, but we took him everywhere we went," Clark said. "In his first test against Ireland in 1994 he was man of the match."

Rugby remains strictly amateur on the American club level, with 30,000 players registered nationally. Yet Lyle is one of three players with NFL connections who is likely to play Saturday. If the new money in rugby finds its way to America, more like Lyle will want to play.

"There will always be room for the clever player, but I think the game is headed to being a very physical game with more and more big physical athletes running around the field," Clark said. He can hardly wait.

RESCUE: *Two Dramatic Recoveries, and a Search Opens for Another Missing Sailor*

Continued from Page 1

swamped by a storm Sunday. The stricken vessels were spotted by an Australian Air Force Orion the next day, 300 kilometers south of where another French competitor, Raphael Dinelli, was saved from a sinking yacht on Dec. 27.

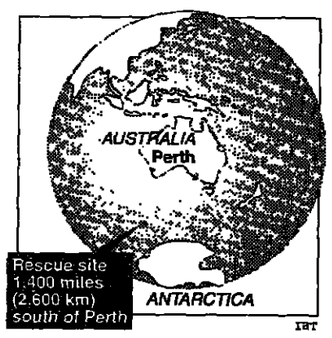
Mr. Dubois was spotted waving, but Mr. Bullimore, who was inside the cabin of his upturned yacht, could not be seen.

On Tuesday, Mr. Bullimore's distress beacon changed its frequency. He was either alive to make the change — or the switch could have been tripped as the beacon sloshed around the cabin of the boat and hit something.

When Australian Navy rescuers reached the stranded craft, they did not know what to expect.

The Adelaide launched an inflatable Zodiac with six crewmen, including divers and engineers. The rescuers tapped on the hull. They heard a tapping in response.

Captain Raydon Gates, the commander of the Adelaide, said a "feeling of elation" ran through the ship when Mr. Bullimore responded to knocks on the hull of his yacht, confirming for the



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first time since the boat capsized on Sunday that he was alive.

"Can you get out?" the rescuers called.

"No," Mr. Bullimore yelled back.

But just as they prepared to cut a hole in the hull, Mr. Bullimore's head bobbed to the surface of the 32-degree Fahrenheit (zero degree centigrade) water next to the Zodiac. He had swum out from under the boat.

He kissed his rescuers, said Captain Gates.

"It's a Houdini-like act," said David Gray, spokesman for the Australian Maritime Safety Authority.

Captain Gates said Mr. Bullimore had not had any fresh water for two days and had possible frostbite on his feet.

"His health is remarkably good. We've discovered he's missing the tip of his left little finger. He accidentally amputated that on a hatch two days ago, so it was while he was under the hull," said Colonel Andy Reynolds, an Australian Defense Department spokesman. "He is suffering from dehydration, he's been without water for two days, he's of course cold and that's understandable."

The Englishman's first request after going aboard the Adelaide was for a cup of tea.

Mr. Dubois's yacht overturned Sunday. He had stood helplessly on the hull of his capsized 65-foot (20-meter) yacht Amnesty International for 24 hours before an Australian Air Force Orion rescue plane spotted him and dropped a life raft.

Mr. Dubois said he had despaired of being rescued just before the plane arrived. Then a wave washed him off the hull and into the freezing waters, and the life raft drifted out of reach.

"At one moment I have no more feeling, no more raft, no more aircraft and I'm swimming in the middle of the Indian Ocean. And at this moment, for me, it's finished," Mr. Dubois recalled.

"My only question is how many minutes to die," he said.

But the plane returned and dropped another raft. Mr. Dubois struggled aboard and waited two more days until he was rescued.

The 29-year-old Frenchman was plucked from the raft in a winch rescue by the crew of a Seahawk helicopter launched at dawn from the Adelaide.

Captain Gates said Mr. Dubois suffered slight hypothermia and had saltwater sores on his hands and feet from exposure.

"His first word was 'Thanks'," Captain Gates said. "He did very little talking but a lot of smiling."

Some fellow solo yachtsmen, while marveling at Mr. Bullimore's rescue, questioned the race rules and yacht safety.

A Perth sailor, Jonathan Sanders, who has sailed solo around the world three times, said the rules of the race forced the yachts to sail too far south, putting them under pressure.

(Reuters, AP, AFP)

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	25	9	.735	—
New York	24	9	.727	½
Washington	17	15	.531	7
Orlando	12	17	.414	10½
New Jersey	9	21	.300	14
Boston	8	23	.258	15½
Philadelphia	8	25	.242	16½

CENTRAL DIVISION

Chicago	29	4	.879	—
Detroit	24	8	.750	4½
Cleveland	21	12	.636	8
Atlanta	19	11	.633	8½
Charlotte	18	15	.545	11
Milwaukee	17	16	.515	12
Indiana	15	16	.484	13
Toronto	10	22	.313	18½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	26	8	.765	—
Utah	23	10	.697	2½
Minnesota	14	19	.424	11½
Dallas	11	20	.355	13½
San Antonio	9	23	.281	16
Denver	9	24	.273	16½
Vancouver	7	27	.206	19

PACIFIC DIVISION

L.A. Lakers	26	10	.722	—
Seattle	25	11	.694	1
Portland	19	16	.543	6½
L.A. Clippers	14	19	.424	10½
Sacramento	14	21	.400	11½
Golden State	12	20	.375	12
Phoenix	10	24	.294	15

WEDNESDAY'S RESULTS

San Antonio	28	27	24	18— 82
Boston	25	26	32	24—107

S.A.: M.Williams 6-7 2-2 14, Johnson 5-9 4-7 14; B: Fox 9-17 1-1 19, Walker 7-17 2-2 17. Rebounds—San Antonio 49 (Perdue 14), Boston 40 (Walker 11). Assists—San Antonio 17 (Maxwell 7), Boston 29 (Wesley 9).

Dallas	20	41	27	23—111
Philadelphia	27	27	12	27— 93

D: McCloud 8-12 3-3 23, Gatling 7-9 8-9 22; P: Iverson 6-14 6-7 22, Stackhouse 8-22 5-7 21. Rebounds—Dallas 48 (Finley 9), Philadelphia 53 (Stackhouse 9). Assists—Dallas 23 (Harper 8), Philadelphia 17 (Iverson 6).

Phoenix	30	35	19	23	6—113
Washington	23	36	27	21	8—115

P: Manning 10-16 0-2 20; W: Howard 8-15 8-10 24, Strickland 9-18 4-5 22. Rebounds—Phoenix 39 (Manning 9), Washington 57 (Webber 9). Assists—Phoenix 25 (Johnson 9), Washington 27 (Strickland 12).

Houston	28	15	23	23— 81
Cleveland	13	21	24	20— 78

H: Elie 8-9 7-7 26, Olajuwon 7-15 8-10 22; C: Brandon 9-21 5-5 26, Phills 9-18 4-5 23. Rebounds—Houston 51 (Barkley 12), Cleveland 39 (Mills 14). Assists—Houston 20 (Drexler a), Cleveland 19 (Brandon 7).

Seattle	27	34	26	22—109
Denver	22	24	25	28— 99

S: Kemp 9-22 8-9 26, Schrempf 10-13 2-3 24; D: D.Ellis 9-16 4-5 26, L.Ellis 5-16 12-12 23. Rebounds—Seattle 54 (Kemp 11), Denver 52 (Johnson 13). Assists—Seattle 23 (Schrempf, Snow 7), Denver 25 (Jackson 15).

Utah	23	15	32	29	13—112
Milwaukee	18	28	27	26	20—119

U: Malone 15-27 8-10 38, Homacek 7-16 1-2 17; M: Robinson 13-18 11-15 38, Baker 8-13 5-6 21. Rebounds—Utah 48 (Malone 19), Milwaukee 43 (Robinson, Baker 7). Assists—U: 26 (Malone 8), M: 22 (Baker 5).

Miami	30	25	25	15— 85
Portland	27	23	18	13— 81

M: Hardaway 10-21 3-5 28, Mourning 4-16 9-12 17; P: Sabonis 5-16 6-9 17, Rider 6-14 4-4 17. Rebounds—Miami 53 (Brown 9), Portland 55 (Sabonis 15). Assists—Miami 16 (Hardaway 7), Portland 15 (Anderson 7).

Charlotte	25	21	24	27— 97
L.A. Lakers	33	27	30	21—101

C: Rice 8-23 6-8 27, Divac 7-12 7-8 22, L: O'Neal 10-19 3-7 23, Jones 8-21 3-4 20. Rebounds—Charlotte 55 (Mason 13), Los Angeles 56 (O'Neal 16). Assists—Charlotte 24 (Mason 8), Los Angeles 23 (Van Exel 10).

Vancouver	21	38	27	31—109
Golden State	30	19	21	25— 95

V: Abdur-Rahim 11-19 12-13 34, Reeves 8-15 5-7 21; G.S.: Smith 12-25 13-15 38, Sprewell 8-20 5-5 23. Rebounds—Vancouver 54 (Rogers 10), Golden State 56 (Smith 15). Assists—Vancouver 27 (Peeler 10), Golden State 22 (Price, Sprewell 9).

EUROLEAGUE

GROUP F

Ulker Spor, Turkey 73, Cibona Zagreb, Croatia 77

GROUP G

Pau-Orthez, France 95, Villeurbanne, France 97.

Sevilla, Spain 81, Ljubljana, Slovenia 76

GROUP H

Leverkusen, Germany 72, Efes Pilsen, Turkey 73

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	26	12	4	56	140	103
Florida	21	11	9	51	120	95
N.Y. Rangers	22	17	6	50	156	126
New Jersey	21	15	4	46	106	102
Washington	17	20	4	38	109	110
Tampa Bay	15	20	5	35	117	130
N.Y. Islanders	12	20	8	32	102	118

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	22	15	4	48	153	130
Buffalo	21	15	5	47	122	107
Hartford	17	16	7	41	122	131
Montreal	16	18	8	40	136	144
Boston	15	19	6	36	116	143
Ottawa	12	20	7	31	107	119

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	24	15	3	51	124	103
Detroit	20	14	7	47	128	91
Phoenix	18	19	4	40	110	130
St. Louis	18	21	4	40	122	141
Chicago	16	21	7	39	115	121
Toronto	17	25	0	34	128	150

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	24	10	8	56	145	99
Edmonton	19	20	4	42	142	133
Vancouver	19	20	1	39	126	136
Anaheim	15	27	5	35	116	128
Calgary	15	22	5	35	106	124
San Jose	14	21	5	33	102	126
Los Angeles	14	23	4	32	110	140

WEDNESDAY'S RESULTS

Tampa Bay	0	2	2—4
N.Y. Rangers	7	2	0—3

First Period: New York, Leetch 10 (Karpovtsev, Gretzky) (pp). Second Period: New York, Messier 24 (Graves, Leetch) (sh). 3. T-Gratton 16 (Selivanov, Bannister) (pp). 4. T-Zamuner 8 (Gratton, Houlder) 5. New York, Kovalev 13 (Graves, Messier) Third Period: T-Burr 9; 7. T-Poulin 8 (Selivanov, Burr) Shots on goal: T- 11-5-15—31. New York 10-13-13—36. Goalies: T-Tabaracci, New York, Richter.

Colorado	0	0	1	0—1
New Jersey	0	1	0	0—1

First Period: None. Second Period: N.J.- Andreychuk 14 (Stevens, Hall) Third Period: C-Corbet 8 (Yzelle) Overtime: None. Shots on goal: C- 7-13-13-2—35. N.J.- 11-7-10-3—33. Goalies: C-Billington. N.J.- Brodeur.

Edmonton	0	0	1	1—1
Chicago	3	0	1	0—4

First Period: C-Amonte 25 (Miller) 2. C-Amonte 26 (Miller, Craven) 3. C-Suter 4 (Miller, Craven) Second Period: None. Third Period: E-Lindgren 5 (Smyth) 5. C-, Chelios 7, (en). Shots on goal: E- 6-15-15—36. C- 15-6-6—27. Goalies: E-Essensa. C-Hackett.

Detroit	0	2	1	—3
Dallas	1	2	3	—6

First Period: D-Bassen 1 (Kennedy) Second Period: D-Nieuwendyk 12 (Sydor) 3. D-Brown 6 (Fetisov, Konstantinov) (pp). 4. D-, Kozlov 14 (Fetisov) 5. D-Reid 8 (Harvey, Zubov) Third Period: D-Harvey 2 (Reid) 7, D-, Shanahan 21 (Yzerman, Dandenaeau) 8, D-Reid 9 (Harvey) 9, D-Reid 10 (Lidstrom, Sydor) Shots on goal: D- 13-10-8—31. D- 11-7-9—27. Goalies: D-Osgood. D-Turek, Moog.

Florida	1	1	0	—2
Anaheim	3	0	0	—3

First Period: A-Selanne 23 (Ruccinn, Kariya) 2, A-Ruccinn 9 (Kariya, Mironov) 3. A-Rychel 9 (Bellows) 4. F-Lindsay 8 (Laus) Second Period: F-Nemirovsky 1 (Jovanovski, Lindsay) Third Period: None. Shots on goal: F- 7-15-10—32. A- 9-13-5—27. Goalies: F-Vanbiesbrouck. A-Hebert.

SOCCER

ENGLISH LEAGUE CUP

QUARTERFINALS

Bolton 0, Wimbledon 2
Middlesbrough 2, Liverpool 1

SPANISH CUP

2D ROUND, FIRST LEG

Celta Vigo 2, Lagrones 0
Granada (III) 0, Real Betis 1
Villareal (II) 0, Athletic Bilbao 1
Osasuna (II) 3, Rayo Vallecano 2
Oviedo 1, Compostela 0
Zaragoza 1, Racing Santander 1
Espanyol 4, Sporting Gijon 1
Sevilla 2, Deportivo Coruna 0

TENNIS

AUSTRALIAN OPEN SEEDINGS

MEN'S SINGLES

1-Pete Sampras (U.S., 1)
2-Michael Chang (U.S., 2)
3-Goran Ivanisevic (Croatia, 3)
4-Yevgeny Kafelnikov (Russia, 4)
5-Thomas Muster (Austria, 5)
6-Boris Becker (Germany, 6)
7-Thomas Enqvist (Sweden, 9)
8-Wayne Ferreira (South Africa, 10)
9-Marcelo Rios (Chile, 11)
10-Albert Costa (Spain, 12)
11-Jim Courier (U.S., 15)
12-Magnus Gustafsson (Sweden, 16)
13-Jan Siemerink (Netherlands, 17)
14-Petr Korda (Czech Republic, 18)
15-Michael Stich (Germany, 19)
16-Alberto Berasategui (Spain, 20)

WOMEN'S SINGLES

1-Steffi Graf (Germany, 1)
2-Arantxa Sanchez Vicario (Spain, 3)
3-Conchita Martinez (Spain, 4)
4-Martina Hingis (Switzerland, 6)
5-Anke Huber (Germany, 7)
6-Iva Majoli (Croatia, 8)
7-Lindsay Davenport (U.S., 9)
8-Irina Spirlea (Romania, 10)
9-Karina Habsudova (Slovakia, 11)
10-B. Schultz-McCarthy (Netherlands, 12)
11-Judith Wiesner (Austria, 13)
12-Amanda Coetzer (South Africa, 14)
13-Elena Likhovtseva (Russia, 16)
14-Mary Joe Fernandez (U.S., 17)
15-Chanda Rubin (U.S., 18)
16-Sabine Appelmans (Belgium, 19).
(Current world ranking is in brackets)

TASMANIAN INTERNATIONAL

THURSDAY, IN HOBART

QUARTERFINALS

Marianne Werdel-Witmeyer, U.S., def. Shi Ting-Wang (6), Taiwan, 6-4, 6-2; Nana Ende, Japan, def. Annabel Ellwood, Australia, 3-6, 6-4, 6-2; Dominique Van Roost, Belgium, def. Lenka Cenkova, Czech Republic, 6-0, 1-0, retired; Els Callens, Belgium, def. Anne-Gaelle Sidot, France, 6-3, 3-6, 6-0.

SYDNEY INTERNATIONAL

WOMEN'S SINGLES QUARTERFINALS

Martina Hingis (2), Switzerland, def. Yayuk Basuki, Indonesia, 7-6 (8-6), 6-1; Jennifer Capriati, United States, def. Amy Frazier, United States, 6-4, 6-1; Mary Joe Fernandez, United States, def. Iva Majoli (3), Croatia, 7-5, 6-4; Lindsay Davenport, United States (4), def. Naoko Sawamatsu, Japan, 6-3, 6-7 (4-7), 6-1.

MEN'S SINGLES QUARTERFINALS

Goran Ivanisevic (1), Croatia, def. Sandon Stolle, Australia, 6-4, 6-2; Carlos Moya, Spain, def. Patrick Rafter, Australia, 7-6 (8-6), 6-2; Tim Henman, Britain, def. Alex O'Brien, United States, 1-6, 7-6 (7-3), 6-4; Albert Costa (3), Spain, def. Byron Black, Zimbabwe, 6-4, 6-2.

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

TAMPA BAY—Named Scott Fletcher manager of the Charleston RiverDogs of the South Atlantic League. Named Howard Johnson hitting coach and Dennis Rasmussen pitching coach of Charleston.

DETROIT—Agreed to terms with RHP Dan Miceli on 1-year contract.

AMERICAN LEAGUE

CHICAGO—Agreed to terms with 2B Norberto Martin on 1-year contract.

SEATTLE—Agreed to terms with RHP Rusty Meacham on one-year contract.

NATIONAL LEAGUE

CINCINNATI—Signed LHP Noe Najera. Agreed to terms with LHP Pete Schourek on 1-year contract.

COLORADO—Agreed to terms with RHP Jerry DiPoto on 1-year contract.

LOS ANGELES—Agreed to terms with 1B Eric Karros on 4-year contract and 3B John Wehner on 1-year contract.

PITTSBURGH—Released OF Mike Kingery.

SAN DIEGO—Signed LHP Fernando Valenzuela to one-year contract. Waived 1B Jason Thompson.

SAN FRANCISCO—Agreed to terms with RHP Doug Henry on 1-year contract.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

BOSTON—F Dino Radja had surgery on left kneecap and is expected to miss rest of season.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

ATLANTA—Signed LB Jessie Tuggle to 2-year contract extension.

ARIZONA—Signed K Alle Larsen to one-year contract.

WASHINGTON—Named Mike Nolan defensive coordinator. Fired Bob Kornegiewicz, defensive line coach, and Mike Haluchak, linebackers coach.

HOCKEY

NATIONAL HOCKEY LEAGUE

NHL—Suspended Boston Bruins F Troy Mallette and Toronto Maple Leafs F Mike Craig for two games without pay and fined them each $1,000 as a result of separate incidents.

SPORTS

Miami Defeats Portland As the East Dominates

The Associated Press

As the NBA season nears the halfway point, the Eastern Conference has established clear superiority over the West. Nine Eastern teams have won more than half their games. The West has only five teams with winning records.

Eastern teams won four of Wednesday night's seven interconference games. One of the five Western teams, Portland, saw its five-game winning streak broken, 85-81, by Miami. Tim Hardaway scored 21 of his 28 points in the second half to give the Heat their first-ever road victory over the Trail Blazers.

NBA Roundup

Hardaway's clutch 21-footer with 15.8 seconds left was the game's biggest shot. The high-arching jumper from a step inside the 3-point line made it 84-81.

"I got the same feeling now that I had with Earvin — you know, Magic," Miami coach Pat Riley said. "Tim got on one of his rolls and hit the big one. He's been doing it all year for us. It was one of his best games of the year."

There were 54 fouls called in the game, 32 against Portland.

Bucks 119, Jazz 112 Glenn Robinson scored 38 points, Vin Baker added 21 and the two forwards scored the first eight points of overtime to put Milwaukee ahead to stay.

The victory came exactly five years after the Bucks' last victory over the Jazz. Karl Malone had a season-high 38 points, 19 rebounds and 8 assists for Utah, which lost its sixth straight on the road.

Bullets 115, Suns 113 Calbert Cheaney scored the go-ahead basket with 4.6 seconds left in overtime as Washington ended a 17-game losing streak against visiting Phoenix.

Juwan Howard finished with 24 points and Rod Strickland 22 as the Bullets notched their first victory against the Suns since March 9, 1988.

Celtics 107, Spurs 83 Boston won its second in a row for just the second time this season and had its largest victory margin.

Antoine Walker, starting out of position at center for the second consecutive game, had 17 points and 11 rebounds.

Lakers 101, Hornets 97 Rookie Derek Fisher drew an offensive foul from former Laker Vlade Divac with 6.5 seconds left, and Nick Van Exel made two free throws with 5.1 seconds remaining to complete the scoring.

Shaquille O'Neal had 23 points and 16 rebounds, Eddie Jones scored 20 points and Van Exel had 17 points and 10 assists for the Lakers, who have won 10 straight home games.

Divac had 22 points and 12 rebounds in his first game at the Forum since the Lakers traded him last summer.

Rockets 81, Cavaliers 78 The first sellout crowd of the season at Gund Arena saw Houston win at Cleveland for the fourth straight season.

Mario Elie scored 26 points and Hakeem Olajuwon had 22 to help offset a 2-for-12 night for Charles Barkley and 2-for-10 shooting by Clyde Drexler.

Mavericks 111, 76ers 93 At Philadelphia, it was a 48-point swing for Dallas, which lost by 30 the night before at New York.

"We just had to forget about last night and come out and play hard," said George McCloud, who had 16 points of his 23 points in the second period.

SuperSonics 109, Nuggets 99 Shawn Kemp had 26 points and 11 rebounds and Detlef Schrempf scored 24.

The Sonics won for the ninth time in 11 games, while the Nuggets lost their fourth straight at home.

Grizzlies 109, Warriors 95 Rookie Shareef Abdur-Rahim scored a season-high 34 points, and Vancouver won just its second road game of the season.

Joe Smith had a career-high 38 points and 15 rebounds and scored 14 straight Golden State points as the Warriors tried to rally in the closing minutes.

Eric Gay/The Associated Press

Goalie Andy Moog and Mike Lalor (18) of Dallas and Detroit's Mathieu Dandenault (11) hunting for the puck.

Lightning Strikes Rangers Again, 4-3

The Associated Press

The New York Rangers bring out the best in the Tampa Bay Lightning.

Four of the Lightning's 15 victories this season have come against the Rangers, including a 4-3 victory Wednesday night in New York that snapped goaltender Mike Richter's unbeaten streak at 16 games.

"We play frightened against them more than other teams because we know how powerful they are," the Lightning's coach, Terry Crisp, said. "Fear is a great motivator."

After the game, the Rangers were fearful that they might lose Alexei Kovalev for the season with a knee injury.

NHL Roundup

Kovalev, who plays on the first line with Wayne Gretzky and Mark Messier, hurt his right knee when he got tangled with Alexander Selivanov behind the Rangers' net in the second period. Kovalev was to have the knee examined Thursday, but teammates seemed to expect the worst.

"People will find out just how valuable he is to our team," Messier said.

Patrick Poulin scored the game-winner for Tampa Bay with 2:44 remaining in the third period.

"We had chances and couldn't put them away," the Rangers' coach, Colin Campbell, said. "They're a scrappy team and they hung in there."

Devils 1, Avalanche 1 In East Rutherford, New Jersey, Colorado's Rene Corbet scored on a third-period breakaway as the Avalanche extended their unbeaten streak to eight games, although it was also their third straight tie. Injury-plagued Colorado got 32 saves from backup goalie Craig Billington. Martin Brodeur made 34 saves for New Jersey.

Blackhawks 4, Oilers 1 Jeff Hackett made 35 saves and Tony Amonte scored twice before getting hurt with 3½ minutes left as Chicago snapped Edmonton's four-game winning streak. X-rays on Amonte's left knee revealed no fracture, but he was taken to a Chicago hospital for further tests.

Stars 6, Red Wings 3 In Dallas, Dave Reid had three goals and an assist for a career-high four points, and rookie Roman Turek stopped 26 shots before he was injured late in the third period. Turek bruised his right thigh with 5:51 remaining in a collision with Detroit's Brendan Shanahan. After Andy Moog replaced Turek, the Stars put the game away when Reid scored twice in a span of 1:46 in the third period.

Mighty Ducks 3, Panthers 2 Steve Rucchin had a goal and an assist, and Guy Hebert made 30 saves as the Mighty Ducks completed a two-game sweep of visiting Florida. Teemu Selanne and Warren Rychel also scored for Anaheim, while Paul Kariya had two assists.

Florida's goalie, John Vanbiesbrouck, who is scheduled to start for the Western Conference in the All-Star game Jan. 18, gave up three goals on Anaheim's first nine shots.

Lakers' Owner Joins the List Eyeing Dodgers

Los Angeles Times

LOS ANGELES — Jerry Buss, the owner of the Los Angeles Lakers basketball team, says he is interested in buying the Los Angeles Dodgers baseball team.

Buss, owner of the Lakers and the Forum sports auditorium since 1979 and the first current sports owner to put his name forth, joined a growing list of potential buyers. Peter Ueberroth, a former baseball commissioner; Robert Shapiro, a celebrity lawyer, and Robert Daly, co-chairman of the music and film divisions of Time Warner, have all indicated a desire to head, or be part of, a purchasing group.

But despite the interested parties, at least one potential bidder said the team has not yet taken such preliminary steps as preparing a financial package for investors or hiring investment bankers to appraise proposals.

"He hasn't even started," said an entertainment executive involved in the sports business, referring to the Dodgers president, Peter O'Malley. There is "no book" of financial documentation, he said.

Buss has never hid his interest in expanding his horizons to football or baseball.

The owner of the Los Angeles Kings hockey team from 1979 through early 1988, Buss said Wednesday, through a spokesman, that he agreed that family sports ownership was in the decline. But he added: "I'm the biggest Dodgers' fan in Los Angeles. I'd like to be part of a group that buys them."

The Buss family is believed to own all but 10 percent of the Lakers, with the remainder owned by a television executive, Bill Daniels, and a former star Laker player, Magic Johnson.

Mayor Richard Riordan of Los Angeles, said that he had talked briefly with some investors interested in acquiring the team.

It is premature because Peter O'Malley "hasn't even set up a process yet" for accepting bids, said Riordan, who would not identify his contacts.

Riordan, a multimillionaire businessman, also said he considered bidding for at least a part ownership in the team but quickly abandoned the idea because it might conflict with his role as mayor.

O'Malley's apparent go-slow approach to fielding offers — a financier familiar with the process said it might take from six months to two years — only encouraged speculation over bidders.

Rumored names of other interested parties range from billionaires such as the Pritzker family, the founders of the Hyatt Hotel chain, to celebrities such as the actor Kevin Costner.

The name most often mentioned continued to be Rupert Murdoch, the media baron, mainly because of the apparent logic of using the Dodgers to enhance the value of his regional Fox sports network. But Fox has refused to comment.

On Wednesday the Dodgers showed that baseball life continues even though the club is up for sale when they made first baseman Eric Karros their highest-paid player, signing him to a four-year, $20 million contract.

The Dodgers also opened negotiations with all-star catcher Mike Piazza, hired former Dodgers Steve Garvey and Ron Cey to their community and marketing departments and signed third baseman John Wehner to a one-year, $350,000 contract.

Brett Butler, who has had cancer, said he will report to spring training and try to come back for one final season.

Andre Rison's Long, Wild Route to Green Bay

By T.J. Simers
Los Angeles Times

GREEN BAY, Wisconsin — It's Christmas Eve, 1989, his Indianapolis Colts have just lost to the New Orleans Saints to miss the playoffs, and Andre Rison is clocked by the Highway Patrol going 128 mph in a 55-mph zone.

Rison's response to the trooper: "I thought I was only doing 95."

Fast-forward to Atlanta, where Left Eye is looking cross-eyed at her boyfriend, Andre Rison, who has been out all night with the guys.

Rison has already been charged with aggravated assault, discharging a firearm, simple battery and carrying a pistol without a license after a fight with Left Eye, also known as Lisa Lopes of the singing trio TLC. Lopes also has been charged with attacking a police officer.

Now Left Eye has a bat and she's blasting the windshields of Rison's cars. They argue, he takes a walk to cool off. She starts a fire in the sunken bathtub, and Rison's two-story mansion, valued at more than $1 million, goes up in flames. Rison's response: He marries Left Eye.

Still in Atlanta, Rison misses a team bus and is benched for a quarter. Later, after committing his 19th team infraction, he is suspended for a game. Even so, a bidding war ensues for his services. Cleveland wins and pays the wide receiver $17.075 million for five years, plus a $5 million signing bonus.

The experience immediately goes sour. Quarterback Vinny Testaverde likes to throw to spots. Rison likes to run pass routes where he pleases, so the two hardly ever connect.

The fans don't think Rison is giving full effort and begin to boo. He responds by ripping the people of Cleveland, who then boo him every time he touches the ball. A sign is hoisted at the Browns' final game: "Dear Andre — The Fans of Cleveland Hope You Get a Very Warm Welcome in Baltimore." Beneath is a picture of a house — on fire.

Owner Art Modell has announced that he's moving the team. He says a major reason for moving is his desperate financial situation. He says he had to go to a bank for a personal loan to pay Rison's $5 million bonus.

Rison's response to Cleveland fans: "Hey, Art Modell is cool. He just wanted a new stadium. I do too. We don't have a home field. Our home is Baltimore. To hell with these fans."

In Baltimore the new Raven coach, Ted Marchibroda, gets a look at Rison and cuts him before the season. Jacksonville hands him a three-year, $6.6 million contract, and Rison is the only player not to show up for a mandatory meet-the-community dinner to start the season. He's fined. He's late for more meetings, and he's fined some more.

Quarterback Mark Brunell throws 20 interceptions. Insiders say most result from Rison's turning the wrong way on his patterns. The team loses, Rison blasts Coach Tom Coughlin, gets into a dispute with Brunell and is fired. Jacksonville hasn't lost a game since.

Why in the world would the Green Bay Packers want Andre Rison?

Quarterback Brett Favre, who was Rison's teammate in Atlanta, advised the Packer general manager, Ron Wolf, two years ago that it would be a mistake offering Rison big money. When Rison selected Cleveland over Green Bay, Wolf told reporters, "We lucked out."

But Robert Brooks went down with a season-ending injury, Antonio Freeman broke his arm, and tight end Mark Chmura was hurt. The Dallas Cowboys beat the Packers, and Green Bay's reserve wide receivers were ineffective.

The next day the Packers were on the telephone with Rison, who had boasted as a rookie that he was as good as the 49ers' Jerry Rice, who was wearing three Super Bowl rings at the time. "It used to really bother me that Jerry and I would have comparable numbers, but he was always considered up there on a level by himself," Rison says. "Can you imagine me running routes for Montana or Marino? I wouldn't have to fight for respect.

"I used to lay in bed and just say, 'I wish I was in the West Coast offense.' And then you will hear nothing from me. The only thing you will hear is, 'Rison scored again.'"

Almost two months in Green Bay, and still not the slightest hint of trouble.

Most everyone who has dealt with Rison says what a likable person he is. Even Coughlin, a disciplinarian, said Rison was one of his favorite players, but he has been foiled by his own immaturity.

In the Packers' final regular-season game, Rison caught a touchdown pass and jumped into the stands, where the Cheeseheads embraced him. In Saturday's playoff victory over the 49ers, he injured a knee, was helped to the locker room but returned to the field with the fans giving him a standing ovation.

"It was the first time I heard, 'We love you!' outside of my wife, my kids or my mom," says Rison. "It felt good. All the bull I took in the last year and a half; all the happiness, all the glory that's coming now makes up for it."

DENNIS THE MENACE

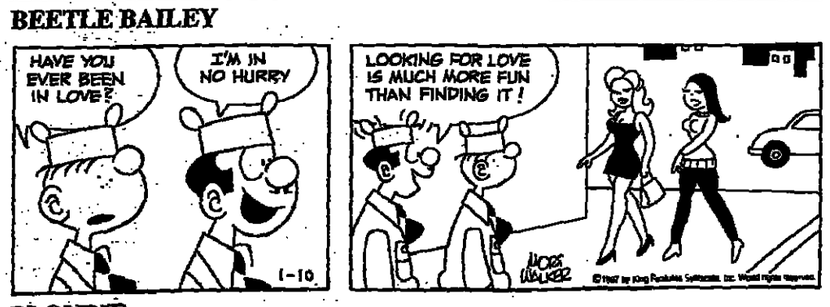
PEANUTS

CALVIN AND HOBBES

GARFIELD

WIZARD of ID

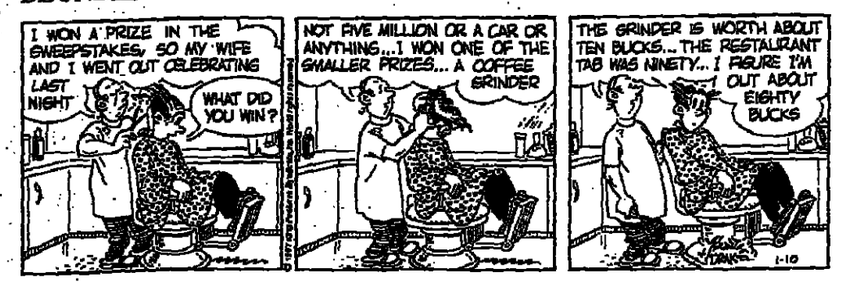
BEETLE BAILEY



THE FAR SIDE

DOONESBURY

BLONDIE



JUMBLE

"THAT SCRAMBLED WORD GAME" by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PEROW
CHEKT
LORCAR
LICKEF

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: _____ ON HIS

(Answers tomorrow)

Yesterday's Jumbles: ELDER DOUSE NEARBY INLAND
Answer: A florist always grows this — OLDER DAILY

Air Dolomiti
Welcome to Italy
Munich
Turin Cagliari Genoa Verona Venice Trieste
Information (39) 432/512464

OBSERVER

Discarded Thoughts

By Russell Baker

NEW YORK — Following are some subjects this column might have been about and the reasons they is not:

1. Professional football playoffs?

Nah. Pete Rozelle, who invented this form of entertainment, just died and took professional football with him. How else explain why two teams called Jaguars and Panthers are playing for the championship? Only the most hardened sports addicts still care. Forget it.

2. Moral squalor in the White House?

Oh, no! Not again. Only the most hardened Republicans will stick it out while you take another lap around this track.

3. Ten best movies, plays, books, recordings, TV shows, televised court trials, operas, tone poems, telephone commercials and computer manuals of the year?

Would have to lie. Truth is: Haven't seen 10 movies, 10 plays or 10 operas all year.

4. O.J. Simpson?

I can't believe I even thought that.

5. How about ebonics? Maybe link the ebonics story to the latest release of Nixon White House tapes. Should schools start teaching Nixonics?

Only if you want to be clubbed silly by outraged mail from three fronts: (a) Making light of the ebonics uproar will bring charges that you are racist. (b) Making light of Nixon will bring charges that you are an elitist, liberal Nixon-hater. (c) Printing Nixonic language will bring charges that you are corrupting children by writing such stuff in a family newspaper.

6. Why not a nice "Whatever-happened-to" column asking things like, "What ever happened to insufferable kids saying 'Never trust anybody over 30'?" Or "What ever happened to the Excedrin headache?" Or "What ever happened to the man in the gray flannel suit?" Or "What ever happened to saying, 'Just the facts, ma'am,' the way Joe Friday always said it?"

You're forgetting how short historical memory is nowadays. You're writing for people to whom General MacArthur might be a guy who fought against Alexander the Great at the Alamo.

Joe Friday is as remote from their lives as St. Genesius of Arles.

Start reminiscing about the Excedrin headache and they'll write you off as a fogy. Sure, worse fate could come your way. Death, for instance.

7. Why not something about the phony diversity of President Clinton's Cabinet? So it includes a woman, a black, a Hispanic, a Republican and so on, and so what?

They are all big winners, top-of-the-heap people in the game of life. If Clinton really wanted a diverse cabinet, shouldn't he include a welfare mother, somebody living in a homeless shelter, a high school dropout and at least one of the 40 million Americans who don't have health insurance?

Forget it. Makes you sound like a crank with no respect for phoniness. In Showbizland what else is there?

New York Times Service

By Saxophone or Plane, Kenny G Gets His Highs

By Neil Strauss
New York Times Service

NEW YORK — Cruising 1,200 feet above the Statue of Liberty in a bright yellow seaplane, Kenny G spots something speeding toward him off to the left.

It is another plane, and for a moment it doesn't seem to be aware that it has entered another craft's airspace.

Just as Kenny G evasively turns to the right, swinging his seaplane back toward the tip of Manhattan, the other plane announces its presence over the radio. "O.K., we got you," Kenny G replies into his headset.

And with that, the intruding plane disappears into the clouds, unaware that it just had a close shave with the world's most popular saxophonist.

On land, Kenny G is a beautiful-music superstar, with his ninth album, "The Moment," firmly ensconced in Billboard's Top 10. He has become such a fixture in popular culture that even in children's cartoons, characters joke about using Kenny G instrumentals to cure insomnia. Yet, it is this precisely palliative effect that Kenny G's fans, chief among them Bill Clinton, love about his music: they find it lush and sensual, euphonious and soothing, laced with gentle melodies to transport them out of life's everyday bustle.

In the air, Kenny G is every inch a pilot. Almost every day for the last two years in his native Seattle, he has taken his de Havilland Beaver, a 35-year-old seaplane, out for a one- or two-hour spin. When he tours with his band in a leased Learjet, chances are he can be found in the co-pilot's seat.

Recently, on a break from a promotional tour for his new album, Kenny G, 40, was taking the scenic route from Manhattan to lunch in Port Washington, New York, flying above the Statue of Liberty, up the Hudson and out over the Long Island Sound in a rented Beaver.

He used to own a small pleasure craft, not a seaplane, he explained through his headset, adding: "But once I became a dad, I sold it. It's just not safe like these Beavers. I fly for fun. I don't need to take risks."

In the cockpit, as on record, Kenny G is smooth and confident, averse to risk but eager for perfection. He may be a pariah to jazz purists, but one thing is certain about Kenny G: He plays what he feels. And if everybody felt the way Kenny G did, the world would likely be a far more peaceful place.

Bobby Washington/The New York Times

Kenny G, who's never happier than at the controls of a de Havilland Beaver.

During conversations, he never talked about being mad, angry or mean. In his gentle voice, each word delivered slowly, thoughtfully and pleasantly — exactly like his saxophone solos — he referred to occasions when he felt "not so happy" or "a little bit less than my jovial self."

He wasn't merely on time for this interview: he was half an hour early, standing alone on the edge of the seaplane dock on the East River, at 23d Street, wearing a leather jacket over an off-white turtleneck. At his feet lay a crumpled brown paper bag full of navigation maps he had bought for the journey.

No matter what question was asked, Kenny G (the G is for Gorelick) was eager and forthcoming, willing to expound at length on anything from his favorite sushi restaurant (Nobu in Manhattan) to his saxophone influences (primarily Grover Washington Jr.). When asked about the chin stubble he's started sporting in recent photographs, he answered with a 10-minute discussion of the aesthetics of shaving. He even irons, cooks and does home repairs. He's the kind of boy who must have made his mother very proud.

And he did. "She's not alive anymore," he said, "but when I was a kid, I remember her always saying to other people that I was the first guy to try something. I'm not afraid to try anything. Even if I'm uncomfortable trying something that may be a good thing, I'll give it a shot. Like vegetarianism — I tried it, and it wasn't me."

How about trying drugs?

"Oh, I'm not a drug user at all," he replied, taken aback. "I would only try something that's good for myself. No, not interested. I go into one of those restaurants in Seattle and get one of those microbrewery beers on tap. After one of those, I'm happy. That's about all I can take. That's good enough for me."

By now, Kenny G was hovering over Port Washington, trying to figure out where he's supposed to land. He spotted a path winding between moored sailboats and pointed the plane downward toward Manhasset Bay, navigating a landing so smooth it was hard to tell when the plane touched the water.

Directly at the end of the dock was Latitudes, a restaurant where he found a quiet table and began to talk more seriously about his music.

Unlike most of his contemporaries, Kenny G isn't obsessed with music. He likes to balance his life with music, golf, sushi and family. On "Timeless," his last major album for Arista Records, which sold 15 million copies, Kenny G said he worked as much as 14 hours a day. Since his son, Max, was born three years ago, he spent only three hours a day working on "The Moment."

"I talk to some of my friends, and they say they've been recording for six days straight," he said. "And what did I do? Well, I just kind of fooled around with my seaplane. Me and my son went fishing. I used to feel a little guilty. Not anymore."

Kenny G tried a little experiment when his wife, Lyndie Benson, was pregnant. Whenever he could, he played saxophone to her midsection, hoping that when the baby was born, the music would have a soothing effect. But it didn't work. "It doesn't put him to sleep or anything," Kenny G said. "He gets excited. Actually, he's more enthusiastic about helping me put my saxophone together than hearing me play it."

How is Kenny G going to feel when his son starts watching cartoons and one day, by chance, sees his father being made fun of on television. "I like jokes," Kenny G responded. "If a joke made at my expense is funny, I'll still laugh. I wouldn't get mad about something like that. It's hard because when the people who work with me tell other people who they work for, a lot of times they're told that my music is so mellow and so light that there's no substance. And I think they're not hearing it. They're listening on one level. You've got to listen more deeply.

"Music is something that you can't categorize and you can't judge. It just is what it is, as long as the artist does it for the right reasons — not just money, fame and fortune. You're born to play an instrument, you're born to write certain music or sing. And if you do that, you feel good about that. I want to be proud of what I put out. I want it to feel great to me. So if people don't like it, I know that I did a good job and can live with myself."

This doesn't mean that Kenny G has any pretensions. One time when he was having dinner at the White House, President Clinton asked if he'd play "Happy Birthday" for a guest. Did he reply, "I'm too much of an artist to do that?"

"N-a-ah, I just walked over there and did it," Kenny G said. That kind of behavior has gotten him invited back: he will play on Jan. 19 as part the inaugural festivities.

NIGHT LIFE

The Clubby '21' Returns After a Facelift

By Florence Fabricant
New York Times Service

NEW YORK — Martinis, steaks, Kelly bags and debutante balls are back. And the "21" Club, another 1950s icon, seems poised to join this renaissance.

The London-based Orient-Express Hotels, which bought the speak-easy-turned-restaurant in 1995, has been making changes in it, hoping to restore the "21" Club's panache.

In the three connecting brownstones decorated with jockey statues at 21 West 52d Street that are home to the restaurant, floral upholstery on the wing chairs, a new logo (with jockeys) and a new chef are already in place. In the saloon-style dining room, hung with toys and trophies, regulars like the Kissingers, the Kennedys and the Tisches still have favorite tables.

But the ugly kitchen door has been hidden in a new alcove. And the new chef, Erik Blauberg, whose food has been served to private parties in the Prohibition-era wine cellar for the last month, is revising the menu.

It is not the first time that the restaurant has undergone change.

It was founded in 1922 in Greenwich Village by Jack Kriendler and Charlie Berns and moved to 52d Street, where it opened Dec. 31, 1929. It was raided only once during Prohibition, in 1930. The result was the construction of a secret wine cellar, still in use, and an elaborate system of collapsing shelves in the bar. Unlike most of the other 38 speakeasies on West 52d, Jack & Charlie's "21" survived well beyond Prohibition.

The "21" Club was owned by the Kriendler and Berns families until 1985, when Marshall Cogan and his former partner, Stephen Swid, took title. The result was some much needed redecoration and, for a few years, confusion in the kitchen, with the appointment of Alain Sailhac and Anne Rosenzweig as co-chefs. Customers accustomed to eating chicken hash and steak tartare did not know what to make of the new French-American menu.

It is impossible to wipe a speck of dust from a hallowed New York institution without causing a stir. The current face lift has cost $500,000 so far, and people are taking note.

Preston Robert Tisch, the chairman of Loews Corp., described a recent visit. "The food was fine, the place looked very festive and they've cleaned it up," Tisch said. "They got rid of that ugly kitchen door. And the same people are there, including Harry up front."

Harry is Harry Lavin, a suave, Gatsbyesque figure who has been greeting

The chef has tinkered with the famous hamburger, serving it with sautéed potatoes.

guests at the front door for nearly 25 years, who knows all the important customers and who enforces the restaurant's dress code (jackets, please) with aplomb. In the dining room, one of the head waiters, Walter Weiss, has been at the restaurant for 50 years.

Bryan McGuire, who is now the chief operating officer and has been at the restaurant since 1988, said: "People we haven't seen in years are returning." Business showed a 3 percent gain in 1996, after falling 5 percent to 8 percent a year from 1988 to 1995, he added.

James B. Sherwood, the chairman of Orient-Express, said the company paid about $21 million for the restaurant and anticipated a good return on the investment. "It has done better than expected," he said, estimating that it would make about $3 million in 1996.

For decades, the restaurant has courted younger customers to supplement its loyal but aging regulars. Now, they are showing up, especially those in the financial world, and spending freely.

Blauberg was hired after a worldwide search lasting several months. He succeeded Michael Lomonaco, the chef of seven years, who left to open his own restaurant. In the interim, Orient-Express engaged Julia Child as a consultant. Sherwood said he expected Blauberg to produce "the American-style cuisine for which '21' is known." Yet, those who know the New York food scene might regard this appointment as controversial.

Blauberg attracted attention at Colors for his elaborately innovative cooking, before leaving in 1994 to open the short-lived American Renaissance in TriBeCa, where he was known for silver knife rests and tomato desserts. He took a consulting job about six months ago in Florida, but returned to Manhattan in November to join the "21" Club. Blauberg would not reveal his salary, but neither he nor McGuire denied that it might be around $150,000.

Blauberg said his style would be unlike anything he had done in the past. "What I cook depends on the concept," he said. "I am here to adapt the owner's concept."

He plans dishes that make frugal use of butter and cream on a menu that will change with the seasons, he said. At present, his new dishes, like filet mignon with winter yams and crispy leeks, are featured as daily specials. He also plans to bake bread on the premises.

Blauberg's food has its stylish touches. For one thing, he likes to stack ingredients. "I redesigned the shrimp cocktail," he said. "I started layering it on a plate, serving it with fresh horseradish and painting the plate with cocktail sauce and flavored oils."

Blauberg has also tinkered with the famous hamburger, serving it with sautéed potatoes and pickled vegetables instead of sweet-pepper slaw and french fries. So much for the 1950s.

The "21" Club is known for keeping bottles owned by famous patrons, including Ivan Boesky, Elizabeth Taylor and Malcolm S. Forbes. In fact, McGuire said, Julie Nixon Eisenhower called recently to check on her father's wine. "It's still here," he said of Richard Nixon's Dom Perignon. "But we're putting the brakes on this personal wine thing."

PEOPLE

BUCKINGHAM Palace has announced that **Prince Charles**, the heir to the British throne, will visit over the next two months Kuwait, Bahrein and Qatar. Bangladesh and Saudi Arabia. According to the Daily Mail, the palace is launching a five-year campaign to try to persuade dubious Britons that Charles is fit to be the country's king one day. The newspaper said the palace made the decision after a television poll showed Charles had slumped in popularity after his acrimonious divorce from **Princess Diana** last year and his adulterous affair with an old flame; **Camilla Parker Bowles**. "With support for the royal family seriously weakened by what are perceived to be the prince's personal failings, his behavior is now at the heart of the monarchy's future," the paper said. The palace will concentrate on selling Charles's good deeds rather than trying to remake his image, a policy which had failed in the past, it said.

□

Liza Minnelli received a thundering ovation for her return to the Broadway stage this week after a 12-year absence. Minnelli stepped into the shoes of **Julie Andrews** in the Broadway adaptation of the musical film "Victor/Victoria" about a woman pretending to be a female impersonator. Minnelli made her stage appearance before an audience that included the actors **Harvey Keitel** and **Matthew Modine** and the designers **Bill Blass** and **Todd Oldham**. She will stand in for Andrews for 31 performances.

□

Sir Paul McCartney is suing a former employee's widow for the return of lyrics of a Beatles song he wrote 30 years ago and which she believes could provide a nest egg for her old age. The millionaire star's lawyers have slapped an injunction on **Lily Evans**, preventing her from auctioning a scrap of paper on which he scribbled the words for "With A Little Help From My Friends." In a BBC television investigation of the case, Evans said she found the classic song in papers left by her husband **Mal**, who was the Beatles's road manager for many years but died in a shooting accident in the United States 21 years ago,

Steve Marcus/Reuters

YOU AIN'T NOTHIN' BUT A . . . — Three Elvis impersonators, from left, Tim Welch, Eddie Powers and Lawrence McMurray, relaxing before an Elvis Presley look-alike contest on the King's Jan. 8 birthday.

leaving her without a pension. She said Sotheby's auction house had estimated the value of Sir Paul's notes at up to £60,000 (about $100,000).

□

The bodyguard of **Princess Stephanie's** former husband, **Daniel Ducruet**, has filed suit against the Italian magazine that published photos showing him and Ducruet frolicking barely clad with women friends. **Alain Launois**, who was part of the security detail for Monaco's reigning Grimaldi family, was with Princess Stephanie's former bodyguard-turned-husband last September when they were both shown in compromising positions in photographs that appeared in the weekly Eva Tremila. Princess Stephanie subsequently divorced Ducruet, father of her two children, after a 15-month marriage. Launois's wife, who was pregnant at the time, left him after undergoing an abortion. He is seeking 1 billion lira ($650,000) in damages.

□

Marcia Clark, the Los Angeles prosecutor who didn't convict **O.J. Simpson**, won't return to her job in the district attorney's office, saying she will devote her time to finishing a book and other projects. Clark, who signed a $4.2 million book deal after the trial, has been on leave since Simpson was found not guilty in October 1995 in the deaths of his ex-wife and her friend.

□

Time Warner Inc. has signed a deal with the **Reverend Martin Luther King Jr.**'s family to produce the first complete collection of the slain civil rights leader's sermons, speeches and writings. Warner Books, announcing the agreement, said it was worth millions of dollars but would not be more specific. The project will comprise seven works, including an autobiography of King compiled from his own words, an Internet site and a CD-ROM. King's widow, **Coretta Scott King**, and son **Dexter** will write books. There also will be a book of King's sermons and recordings of his speeches.

□

Humphrey Bogart is joining **Marilyn Monroe** and **James Dean**, becoming the third actor in the Postal Service's Legends of Hollywood stamp series. The stamp will be based on a poster for the 1946 movie "The Big Sleep."

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Italy●	172-1011
Netherlands●	06-022-9111
Russia●▲(Moscow)▷	755-5042
Spain○	900-99-00-11
Sweden	020-795-611
Switzerland●	0800-89-0011
United Kingdom▲	0800-89-0011
MIDDLE EAST	
Egypt●(Cairo)▷	510-0200
Israel	177-100-2727
Saudi Arabia○	1-800-10
AFRICA	
Ghana	0191
Kenya▲	0-800-10
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